

# MUTALE MUNICIPALITY



***2014/2015- 2016/2017***  
***MEDIUM TERM REVENUE***  
***&***  
***EXPENDITURE FRAMEWORK***

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## **2. MAYOR'S REPORT**

The tabling of the budget for the financial year 2014/15 once more gives the municipality an opportunity to contribute to the realization of the vision of the municipality and government as a whole i.e. of being a developmental municipality that ensures sustainable economic growth and equitable service delivery to our people.

This budget is being tabled as the country celebrates its 20 years of freedom and democracy, having held successful national elections which ushered in the fifth democratic administration. It is our expectations that this budget will form page of a good story that will be acknowledged by our communities.

This budget is informed by our reviewed IDP for 2014/2015 and other national and provincial service delivery priorities. This comes after having engaged I public consultations with communities after it was first tabled in March. Key to these priorities includes basic service delivery, local economic development and job creation.

The budget addresses these priorities through funding and grants which include MIG (Municipal Infrastructure Grant), Extended Public Works Programme (EPWP) as well as projects and programmes to be implemented by sector departments. One such project includes the Tshilamba Street upgrading, which is a multi- year project, upon completion will make Tshilamba Town a residence of choice within Mutale Municipality.

The budget also includes purchasing equipments and machinery critical to extending access infrastructure to our communities as well as to ensure maintenance of existing ones. This is however not sufficient to address the backlog of challenges the municipality is facing. We will need to consider other alternative means of funding as well as partnership with both public and private sectors to can realize some of our key priorities in areas like electricity and Local Economic Development (LED).

This budget which complies with the MFMA and all Treasury regulations will require the contributions and participation of all critical role-players and stakeholders to succeed. For effective implementation, management, supervision and monitoring will

be critical. The Service Delivery and Budget Implementation Plan (SDBIP) will be a critical tool in the realization of this budget. Political oversight and management of this budget will ensure the realization of this budget at the end of the final year. The political leadership and management support that has been visible in the municipality is confident enough that despite the financial challenges the municipality continues to face the municipality will make all its efforts within the governing municipal legal framework to can realize is core mandate, targets and objectives. I am this confident that this budget is a financial tool that will be a vehicle towards achieving not only our objectives but also make the desired service delivery impact to our communities within the municipality.

All hands should be deck. Together we will do more.

Thank you

The Mayor  
Cllr Mukwevho Josephinah

## 2. Budget Resolutions

*On 30 May 2014 the Council of Mutale municipality met in the Council Chamber of Mutale municipality to consider the annual budget of the municipality for the financial year 2014/15. The Council approved and adopted the following resolutions:*

- 1 That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the Mutale Municipality for the financial year 2014/15; and indicative allocations for the two projected outer years 2015/16 and 2016/17; and the multi-year and single year capital appropriations are tabled as set-out in the following tables:**
  - 1.1 Budgeted Financial Performance (revenue and expenditure by standard classification);
  - 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote);
  - 1.3 Budgeted Financial Performance (revenue by source and expenditure by type); and
  - 1.4 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source
- 2 That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set-out in the following tables:**
  - 2.1 Budgeted Financial Position;
  - 2.2 Budgeted Cash Flows;
  - 2.3 Cash backed reserves and accumulated surplus reconciliation;
  - 2.4 Asset management; and
  - 2.5 Basic service delivery measurement.
- 3 That the consolidated budget that includes the financial impact of all municipal entities is noted.**
- 4 That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out in Budget Chapter 21 and annexure A respectively that were used to prepare the estimates of revenue by source, are tabled with effect from 1 July 2014.**

- 5 That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy (or the amendments to the rates policy) as set out in Budget Chapter 19 and Annexure A is tabled.
- 6 That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 are tabled.
- 7 That in terms of section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the amendments to the integrated development plan as set out in Budget Chapter 17 are tabled.
- 8 That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, the budget-related policies, including any amendments as set out in Budget Chapter 19 are tabled for the budget year 2014/15.
- 9 That the Basic Services Package as set out in Budget Chapter 19 is tabled for the budget year 2014/15.

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**NETSHIPISE LIVHUWANI HILDA  
SPEAKER**

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**DATE**

## 2. Executive Summary

The budget has been compiled and funded in terms section 18 (1) of Municipal Finance Management Act. The results from consultative forums were considered and positively and taken.

The budget process plan was prepared and tabled to council and approved on 28 August 2013. On the 28 March 2014, the draft Integrated Development Plan, draft Budget, draft Organizational structure and draft tariff structure were tabled to council. Public Participation where conducted during 26 and 27 April 2014 in all thirteen wards.

The revenue sources to fund both operating and capital expenditure for 2014/2015 financial year are as follows

|                                      |                              |
|--------------------------------------|------------------------------|
| Grants and Subsidies                 | R 93,120,000 million         |
| Accumulated Funds [own/other income] | R 11,830,696 million         |
| External Borrowings                  | <u>R = nil</u>               |
| <b>Total Income Budget</b>           | <b>R104, 950,696 million</b> |

The Capital budget for 2014/2015 financial year is R33, 567,100 million

The operating budget for 2014/2015 is subdivided as follows:

|                                    |                             |
|------------------------------------|-----------------------------|
| Employee related costs             | R35, 972,247 million        |
| Councilors remuneration            | R 7,460,896 million         |
| Repairs & Maintenance              | R 5,373,116 million         |
| General Expenditure                | <u>R22, 577,337 million</u> |
| <b>Total operating expenditure</b> | <b>R71, 383,596 million</b> |

Municipal Tariffs have been generally increased by 5.4%.

Past financial performances for the past two years are indicated below:

| <b>REVENUE</b>             | <b>2011/2012</b> | <b>2012/2013</b> |
|----------------------------|------------------|------------------|
|                            | <b>“000”</b>     | <b>“000”</b>     |
| Property rates             | 3,316            | 1,440            |
| Service charges            | 225              | 249              |
| Rental of facilities       | 64               | 55               |
| Interest- income           | 1,538            | 976              |
| License and permits        | 2,290            | 2,107            |
| Fines                      | 196              | 538              |
| Grants                     | 6945             | 6,4412           |
| Other revenue              | 2,324            | 1,199            |
| <b>EXPENDITURE</b>         |                  |                  |
| Employee related costs     | 25,157           | 28,537           |
| Councilors allowance       | 6,417            | 6,631            |
| Repairs and maintenance    | 2,229            | 1,309            |
| General expenditure        | 17,482           | 13,795           |
| <b>NET SUPLUS/ DEFICIT</b> | <b>20,062</b>    | <b>16,177</b>    |

The priorities as outlined in the Integrated Development Plan are in line with the National, Provincial and District priorities covers (amongst others)

1. job creation
2. local economic development
3. basic service delivery (access to water, sanitation, electricity, refuse removal and municipal roads)
4. financial management (clean audit, revenue enhancement, asset management etc)
5. public participation

The Budgetary constraint that the municipality is facing is the extent of operational budget which exceeds the capital budget. The contributing factor is the salary budget which consumes bigger percentage of the whole budget. This is due to high staff component that is a result of transfer of staff from sector departments to



local municipality. Furthermore National Treasury gives a minimal allocation in respect MIG which is solely utilized to implement capital projects. Whilst the municipality is having a bigger percentage of the budget being salaries (69%), annually there are salary increments which should be affected with low revenue base which the municipality have

This situation will continue until such time that the municipality has improved its revenue base and utilizes that improvement to implement capital projects.

In the year 2014/2015 A multi year project to tar Tshilamba streets will continue. A Rubber dozer will be purchased. See supporting table SA36 for a (Summary of detailed Capital budget) for the years.

#### **Tariff Policies**

Municipality tariff policy provide a board framework within which the council can determine fair, cost benefit, transparent and affordable charges that also promote sustainable service delivery. The policies approved on various dates and a consolidated tariff policy is envisaged to be complied for ease of administration and implementation for the next three years.

### **3.1 Annual budget tables**

The budget tables are detailed in **annexure A**. It includes the following:

| Number    | Description  |
|-----------|--|
| Table A1  | Budget Summary   |
| Table A2  | Budgeted Financial Performance (revenue and expenditure by classification) |
| Table A3  | Budgeted Financial Performance (revenue and expenditure by municipal vote) |
| Table A4  | Budgeted Financial Table Performance(revenue and expenditure)              |
| Table A5  | Budgeted Capital Expenditure by vote, standard classification and funding  |
| Table A6  | Budgeted Financial Position  |
| Table A7  | Budgeted Cash Flows  |
| Table A8  | Cash backed reserves/accumulated surplus reconciliation                    |
| Table A9  | Asset management   |
| Table A10 | Basic service delivery measurement   |

## 4. SUPPORTING DOCUMENTATION

The budget is accompanied by supporting documents in terms of section 17 (3) of the MFMA.  
*See supporting tables SA1 –SA 37 in annexure B*

### 4.1 Overview of annual budget process

The budget process plan was prepared and tabled to council on the 31 August 2013. The budget instructions were issued to head of departments in September 2013 for submission of the budget proposals to the Chief Financial Officer for consolidation. The IDP and budget public participation were held during April 2014 in all thirteen wards.

#### ➤ **Political oversight of the budget process**

The link between priorities and spending plans lies in enhancing political oversight of the budget process. Section 53(1)(a) of the MFMA states that the Mayor of a municipality must provide political guidance over the budget process and priorities that must guide the preparation of the budget. This is essential to ensure that:

- The political Executive is responsible for policy prioritization
- Policy priorities are linked to department spending plans and the delivery of quality services.

Political oversight of the budget process allows municipality to manage the tension between competing policy priorities and fiscal realities. The key to strengthen the linkage between priorities and departmental plans lies in enhancing political oversight of the IDP and budget process.

The Executive committee and extensive community consultation process play a leading role in guiding the alignment of resource allocation with national, provincial and local priorities.

#### ➤ **Schedule of Key deadlines relating to the budget process MFMA s 21(1)(b)**

The budget time schedule for the compilation of the draft 2014/2015 MTREF was approved by Council on 31 August 2013

#### ➤ **Process of tabling and approval of the draft**

Tabling to Council of draft 2014/2015 MTREF for community consultation process was done on 28 March 2014

➤ **Consultation with stakeholders and outcomes**

The draft 2014/2015 MTREF had been tabled before council on 28 March 2014 for community consultation and was made available on municipality's website and hard copies was made available at various Tribal Council offices.

All documents in the appropriate format (Electronic & Printed) were provided to Provincial Treasury in accordance with the MFMA, to give opportunity for their inputs.

Community consultation process took place during April 2014

After consideration of all budget submission the Mayor was given opportunity to respond, if necessary revise the budget and table amendments for consideration.

➤ **Stakeholders involved in consultations**

The stakeholders involved are organized businesses, churches, non-governmental institutions, community-based organizations and individual members of the public.

The budget was submitted to Provincial treasury, National treasury and COGSTA on 01 April 2014 for their consideration, in line with section 23 of the MFMA. Inputs were received from Provincial Treasury and were considered for the final document.

## 5.1 Overview of alignment of budget with Integrated Development Plan

The programs and Projects that have been reflected in the Integrated Development Plan have been budgeted for. The positions reflected in the Organizational structure will all be filled in the budget year 2014/2015.

### 1. Vision

A developmental Municipality that ensures sustainable economic growth and equitable service delivery

### 2. Mission

“We strive to provide quality service & building local economy through information and knowledge building, strong partnerships in harmony with the natural environment.”

### 3. Core Values and Operating Principles

- Deliver on the mandate of the people of Mutale
- Achieve state-led development through an effective Intergovernmental Relations System (IGR);
- Drive integrated development
  - Ensure transparency and accountability;
  - Provide quality service delivery and implement Batho Pele;
- Build institutional capacity and achieve transformation;
- Develop strategic partnerships;
- Achieve people-centered development
- Use e-governance as a means to make government accessible to the people.

### 4. Integrated Development Plan

The Constitution of the Republic of South Africa (1996) commits Government to undertake the measures that will ensure that all South Africans

have access to adequate housing, health care, education, food, water and social security.

Local Government has as duty to ensure that the abovementioned is achieved through the implementation of development policies and legislation that supports the developmental goals of South Africa

Integrated developmental planning in the South African context is amongst other an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development.

Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

In 2000 the Municipal Systems Act 32 of 2000 (MSA) came into operation. According to Section 25(1) of the Act each municipal council must, after the start of its elected term, adopt a single, inclusive, and strategic plan for the development of the municipality which

- Links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- Aligns the resources and capacity of the municipality with the implementation of the plan
- Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation

##### **5. The five- Year strategic objective Integrated Development Plan**

This document comprises the five-year strategic plan and programme of action for the Mutale Municipality embarked on strategic and developmental processes to ensure that it fulfills its mandate and obligations as per the Constitution of South Africa, to

- Provide services in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment
- Give priority to the basic needs of communities; and
- Encourage the involvement of communities in the matters of local government

## 6. Aligning budget priorities

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Mutale Municipality to align its budget priorities with that of National and provincial government. It is evident that all spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery and poverty alleviation and building sound institutional arrangements

### NATIONAL PRIORITIES

- Efficient and effective public services
- Job creation
- Procurement reforms and fighting corruption

| LIM342 Mutale - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue) |   |           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|--|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Strategic Objective  | Goal  | Goal Code | Ref | 2010/11         | 2011/12         | 2012/13         | Current Year 2013/14 |                 |                    | 2014/15 Medium Term Revenue & Expenditure Framework |                        |                        |
| R thousand   |   |           |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2014/15                                 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Financial viability  | Good sound Financial Management   |           |     | 945             | 4,647           | 42,881          | 59,353               | 57,887          | 57,887             | 71,292  | 94,745                 | 98,320                 |
| Service delivery and Infrastructure Development  | Continuous improvement on basic service infrastructure development                                    |           |     | 6,488           | 4,170           | 536             | 27,706               | 49,572          | 49,572             | 28,455  | 27,359                 | 27,952                 |
| Safety and security  | Safety on the road  |           |     | 2,820           | 2,469           | 196             | 4,111                | 3,571           | 3,571              | 3,771   | 3,975                  | 4,189                  |
| Good governance and public participation   | Promote a culture of accountability, participatory, responsiveness, transparency and clean governance |           |     | 56,272          | 56,419          | 684             | 1,239                | 640             | 640                | 1,264   | 1,332                  | 1,404                  |

|   |   |  |   |        |        |        |        |         |         |         |         |         |  |  |  |  |  |
|---|---|--|---|--------|--------|--------|--------|---------|---------|---------|---------|---------|--|--|--|--|--|
| Local Economic Development                                    | Sustainable economic growth and improve livelihoods of the people through LED |  |   |        |        |        | 130    | 160     | 160     | 169     | 178     | 188     |  |  |  |  |  |
| Allocations to other priorities                               |   |  | 2 |        |        |        |        |         |         |         |         |         |  |  |  |  |  |
| Total Revenue (excluding capital transfers and contributions) |   |  | 1 |        |        |        |        |         |         |         |         |         |  |  |  |  |  |
|   |   |  |   | 66,526 | 67,705 | 44,298 | 92,538 | 111,829 | 111,829 | 104,951 | 127,589 | 132,053 |  |  |  |  |  |

### LIM342 Mutale - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

| Strategic Objective                             | Goal  | Goal Code | Ref | 2010/11         | 2011/12         | 2012/13         | Current Year 2013/14 |                 |                    | 2014/15 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand                                      |   |           |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2014/15                                 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Financial viability                             | Good sound Financial Management   |           |     | 9,654           | 14,312          | 20,891          | 15,427               | 16,189          | 16,189             | 19,356  | 20,468                 | 21,647                 |
| Service delivery and Infrastructure Development | Continuous improvement on basic service infrastructure development                                    |           |     | 16,794          | 28,694          | 1,732           | 15,835               | 13,033          | 13,033             | 15,830  | 16,774                 | 17,774                 |
| Safety and security                             | Safety on the road  |           |     | 3,866           | 4,433           | –               | 6,012                | 5,399           | 5,399              | 5,907   | 6,277                  | 6,670                  |
| Local Economic Development                      | Sustainable economic growth and improve livelihoods of the people through LED                         |           |     | 3,524           | 3,355           | 1,715           | 6,620                | 6,167           | 6,167              | 7,321   | 7,761                  | 8,228                  |
| Good governance and public participation        | Promote a culture of accountability, participatory, responsiveness, transparency and clean governance |           |     | 13,906          | 12,982          | 4,217           | 20,221               | 20,633          | 20,633             | 22,970  | 24,300                 | 25,708                 |
| Total Expenditure                               |   |           | 1   | 47,744          | 63,775          | 28,554          | 64,115               | 61,421          | 61,421             | 71,384  | 75,581                 | 80,028                 |

| LIM342 Mutale - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure) |   |           |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|--|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Strategic Objective  | Goal  | Goal Code | Ref | 2010/11         | 2011/12         | 2012/13         | Current Year 2013/14 |                 |                    | 2014/15 Medium Term Revenue & Expenditure Framework |                        |                        |
| R thousand   |   |           |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2014/15                                 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Financial viability  | Good sound Financial Management   | A         |     | 9,350           | 5,000           | 3,429           | 350                  | 450             | 450                | 60  | 70                     | 80                     |
| Service delivery and Infrastructure Development  | Continuous improvement on basic service infrastructure development                                    | B         |     | 13,579          | 10,475          | 7,645           | 24,123               | 45,323          | 45,323             | 31,885  | 35,855                 | 30,564                 |
| Safety and security  | Safety on the road  | C         |     | 1,450           | 150             | –               | 3,255                | 815             | 815                | 1,020   | 1,680                  | 1,710                  |
| Good governance and public participation   | Promote a culture of accountability, participatory, responsiveness, transparency and clean governance | D         |     | –               | 160             | 7,278           | 690                  | 235             | 235                | 602   | 1,002                  | 400                    |
| Local Economic Development   | Sustainable economic growth and improve livelihoods of the people through LED                         | E         |     |                 |                 |                 | 5                    | 205             | 205                | –   | –                      | –                      |
| Allocations to other priorities  |   |           | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Total Capital Expenditure  |   |           | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
|  |   |           |     | 24,379          | 15,785          | 18,352          | 28,423               | 47,028          | 47,028             | 33,567  | 38,607                 | 32,754                 |



## 5.2 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system is constantly refined as the integrated planning process unfolds. The Municipal targets, monitors, assess, and reviews organizational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple year is being considered; plans and budget for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during *the last stage*, the performance information process begins when policies are being developed, and continues through each of the planning, budget, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

### **Planning, budgeting and reporting cycle**

The performance of Mutale municipality relates directly to the extent to which it has achieved success in realizing its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators and success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

### **2.3.1. Performance indicators and benchmarks**

#### **2.3.1.1. Borrowing Management**

Capital expenditure in local government can be funded by capital grants, own- source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its credit worthiness and financial position. The following financial performance indicators have formed part of the compilation of the 2014/2015 MTREF:

- Borrowing to asset ratio is a measure of long-term borrowing as a percentage of total asset base of municipal.
- Borrowing funding of own expenditure measure the degree to which own capital expenditure (excluding grants and contribution) has been founded by way of borrowing.

#### **2.3.1.2 Safety of Capital**

- The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipal's assets.
- The gearing ratio is a measure of total long term borrowing over funds and reserves.

#### **2.3.1.3 Liquidity**

- Current ratio is a measure of the current assets divided by the current liabilities
- The liquidity ratio is a measure of ability of municipal to utilized cash and cash equivalent to extinguish or retire its current liabilities immediately.

#### **2.3.1.4 Revenue Management**

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash flow.

### **2.3.2 Free Basic Services: basic social services package for indigent household**

- The social package assists households that have difficulty paying for service and registered as indigent household in terms of the Indigent Policy of Mutale municipality.

| LIM342 Mutale - Supporting Table SA8 Performance indicators and benchmarks     |  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|--|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description of financial indicator   | Basis of calculation   | 2010/11         | 2011/12         | 2012/13         | Current Year 2013/14 |                 |                    |                   | 2014/15 Medium Term Revenue & Expenditure Framework |                        |                        |
|  |  | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2014/15                                 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| <u>Borrowing Management</u>  |  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Credit Rating  |  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Capital Charges to Operating Expenditure                                       | Interest & Principal Paid /Operating Expenditure                           | 2.3%            | 0.4%            | 1.1%            | 1.8%                 | 1.3%            | 1.3%               | 0.0%              | 0.7%  | 0.7%                   | 0.3%                   |
| Capital Charges to Own Revenue   | Finance charges & Repayment of borrowing /Own Revenue                      | 13.9%           | 1.9%            | 9.2%            | 8.5%                 | 6.3%            | 6.3%               | 0.0%              | 4.0%  | 4.9%                   | 2.3%                   |
| Borrowed funding of 'own' capital expenditure                                  | Borrowing/Capital expenditure excl. transfers and grants and contributions | 0.0%            | -33.3%          | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| <u>Safety of Capital</u>   |  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Gearing  | Long Term Borrowing/ Funds & Reserves                                      | 0.0%            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| <u>Liquidity</u>   |  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Current Ratio  | Current assets/current liabilities   | 0.2             | 0.4             | 0.8             | 1.1                  | 1.1             | 1.1                | –                 | 1.9   | 5.2                    | 6.2                    |
| Current Ratio adjusted for aged debtors  | Current assets less debtors > 90 days/current liabilities                  | 0.2             | 0.4             | 0.8             | 1.1                  | 1.1             | 1.1                | –                 | 1.9   | 5.2                    | 6.2                    |
| Liquidity Ratio  | Monetary Assets/Current Liabilities  | 0.0             | 0.0             | 0.4             | 0.0                  | 0.0             | 0.0                | –                 | 0.3   | 3.4                    | 4.9                    |
| <u>Revenue Management</u>  |  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Annual Debtors Collection Rate (Payment Level %)                               | Last 12 Mths Receipts/Last 12 Mths Billing                                 |                 | 101.2%          | 64.4%           | 0.3%                 | 107.4%          | 122.1%             | 122.1%            | 0.0%  | 94.2%                  | 99.8%                  |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) |  | 101.2%          | 64.4%           | 0.3%            | 80.5%                | 91.7%           | 91.7%              | 0.0%              | 83.3%   | 87.6%                  | 87.9%                  |
| Outstanding Debtors to Revenue   | Total Outstanding Debtors to Annual Revenue                                | 16.3%           | 86.3%           | 37.9%           | 13.4%                | 13.7%           | 13.7%              | 0.0%              | 8.9%  | 7.2%                   | 5.1%                   |

|  |   |        |        |         |        |        |        |      |         |         |        |
|--|---|--------|--------|---------|--------|--------|--------|------|---------|---------|--------|
| Longstanding Debtors Recovered                       | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old                                     |        |        |         |        |        |        |      |         |         |        |
| <u>Creditors Management</u>                          |   |        |        |         |        |        |        |      |         |         |        |
| Creditors System Efficiency                          | % of Creditors Paid Within Terms (within 'MFMA' s 65(e))                                      |        |        |         |        |        |        |      |         |         |        |
| Creditors to Cash and Investments                    |   | 166.2% | 224.9% | 64.0%   | 72.5%  | 94.4%  | 94.4%  | 0.0% | 86.6%   | 17.2%   | 8.3%   |
| <u>Other Indicators</u>                              |   |        |        |         |        |        |        |      |         |         |        |
| Electricity Distribution Losses (2)                  | Total Volume Losses (kW)  |        |        |         |        |        |        |      |         |         |        |
|  | Total Cost of Losses (Rand '000)  |        |        |         |        |        |        |      |         |         |        |
|  | % Volume (units purchased and generated less units sold)/units purchased and generated        |        |        |         |        |        |        |      |         |         |        |
| Water Distribution Losses (2)                        | Total Volume Losses (kℓ)  |        |        |         |        |        |        |      |         |         |        |
|  | Total Cost of Losses (Rand '000)  |        |        |         |        |        |        |      |         |         |        |
|  | % Volume (units purchased and generated less units sold)/units purchased and generated        |        |        |         |        |        |        |      |         |         |        |
| Employee costs                                       | Employee costs/(Total Revenue - capital revenue)  | 48.4%  | 171.4% | 53.4%   | 48.0%  | 46.5%  | 46.5%  | 0.0% | 43.8%   | 37.0%   | 38.0%  |
| Remuneration   | Total remuneration/(Total Revenue - capital revenue)  | 89.4%  | 360.6% | 70.4%   | 58.0%  | 57.0%  | 57.0%  |      | 52.9%   | 44.5%   | 45.8%  |
| Repairs & Maintenance                                | R&M/(Total Revenue excluding capital revenue)   | 0.0%   | 0.0%   | 0.0%    | 9.2%   | 6.8%   | 6.8%   |      | 6.5%    | 5.5%    | 5.6%   |
| Finance charges & Depreciation                       | FC&D/(Total Revenue - capital revenue)  | 48.4%  | 171.4% | 53.4%   | 48.0%  | 46.5%  | 46.5%  | 0.0% | 43.8%   | 37.0%   | 38.0%  |
| <u>IDP regulation financial viability indicators</u> | -   |        |        |         |        |        |        |      |         |         |        |
| i. Debt coverage                                     | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 17.4   | 7.1    | 6.0     | 13.4   | 13.4   | 13.4   | –    | 12.3    | 15.7    | 15.6   |
| ii.O/S Service Debtors to Revenue                    | Total outstanding service debtors/annual revenue received for services                        | 222.0% | 351.7% | 1159.8% | 178.8% | 327.0% | 327.0% | 0.0% | 230.8 % | 230.7 % | 162.8% |

|  |  |       |       |       |       |       |       |       |        |        |       |
|--|--|-------|-------|-------|-------|-------|-------|-------|--------|--------|-------|
| iii. Cost coverage   | (Available cash + Investments)/monthly fixed operational expenditure | 3.4   | 3.0   | 8.6   | 2.3   | 1.8   | 1.8   | –     | 1.0    | 4.7    | 9.2   |
| <u>References</u>  |  | 17.4  | 7.1   | 6.0   | 13.4  | 13.4  | 13.4  | –     | 12.3   | 15.7   | 15.6  |
| 1. Consumer debtors > 12 months old are excluded from current assets |  |       |       |       |       |       |       |       |        |        |       |
| 2. Only include if services provided by the municipality             |  |       |       |       |       |       |       |       |        |        |       |
| <u>Calculation data</u>  |  |       |       |       |       |       |       |       |        |        |       |
| Debtors > 90 days  |  |       |       |       |       |       |       |       |        |        |       |
| Monthly fixed operational expenditure                                |  | 2,783 | 3,106 | 3,446 | 4,227 | 4,038 | 4,038 | –     | 4,650  | 4,929  | 5,252 |
| Fixed operational expenditure % assumption                           |  | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% | 40.0%  | 40.0%  | 40.0% |
| Own capex  |  | 5,350 | 731   | 240   | 4,640 | 2,580 | 2,580 | –     | 10,712 | 14,602 | 7,820 |
| Borrowing  |  | –     | (243) | –     | –     | –     | –     | –     | –      | –      | –     |

## 5.3 Overview of budget-related policies

### Review of supply chain management policy

The Revenue Management and Asset Management Policy has been reviewed and approved on 31 May 2013.

**There are no changes on other budget related policies:**

- Cash Management Policy
- Fixed Asset Policy
- Revenue management Policy
- Property Rates Policy
- Risk management policy
- Tariff policy
- Indigent policy
- Virement policy
- Budget policy

- Borrowing policy
- Funding and Reserve policy
- Capital Infrastructure Investment policy

## 5.4 Overview of budget assumptions

The growth rate used for the medium term budget and tariff increase is 5.4%

### 1. National priority- Expanding public sector investment in infrastructure

Domestically, after five years of strong growth, during which about five hundred jobs were created, we still intend to create five hundred more jobs.

### 2. Image of local government

There are 5 keys factors that have been taken into consideration in the compilation of the 2013/14 MTREF

### 3. Procurement reforms and fighting corruption

Our Supply Chain Management policy have been reviewed and approved by Council on 31 January 2013.

### 4. Taking the 2011 Local Government Budgets and Expenditure Review forward

The review highlights the following:

- Revenue management
- Collecting outstanding debts
- Pricing services correctly
- Under spending on repairs and maintenance
- Spending on non-priorities base assumption is that tariff and rating increases will increase at a rate slightly higher that CPI over long term

### 5. Local government equitable share formula review and 2011 Census

### 6. Impact of the new formula on our municipal budget

Our equitable share and Municipal Infrastructure Grant have increased.

### 7. Local government conditional grants and additional allocations to local government

### 8. Council oversight over the budget process

### 9. Regulation of SCOA for local government

### 10. Financial applications (systems) and the impact of SCOA

### 11. Management accounting and tariff setting

### 12. Municipal budget and benchmark engagements and timeframes for tabling MTREF'S

## 5.5 Overview of budget funding

The budget is funded by the following sources:

- Rates, tariffs and other charges
- Grant allocations

The table below illustrates the breakdown of operating revenue over the medium-term:

|  | 2014/15 Medium Term Revenue & Expenditure Framework |             |                    |             |                    |             |
|--|---|-------------|--------------------|-------------|--------------------|-------------|
|  | Budget Year   |             | Budget Year +1     |             | Budget Year +2     |             |
|  | 2014/2015   | %           | 2015/2016          | %           | 2016/2017          | %           |
| -  |   |             |                    |             |                    |             |
| Property rates   | 2,150,000   | 2.62%       | 2,150,000          | 2.62%       | 2,150,000          | 2.62%       |
| Service charges  | 1,018,081   | 1.24%       | 1,068,341          | 1.03%       | 1,098,496          | 1.10%       |
| Investment revenue   | 1,320,000   | 1.61%       | 820,000            | 0.79%       | 820,000            | 0.77%       |
| Transfers recognized-operational                             | 70,264,900  | 85.59%      | 92,973,400         | 89.76%      | 96,594,300         | 90.17%      |
| Other own revenue  | 7,342,615   | 8.94%       | 6.34%              | 6.34%       | 6,456,320          | 5.95%       |
| <b>Total operating revenue (excluding capital transfers)</b> | <b>82,039,776</b>                                   | <b>100%</b> | <b>103,584,022</b> | <b>100%</b> | <b>107,119,116</b> | <b>100%</b> |
| <b>Total operating expenditure</b>                           | <b>71,383,596</b>                                   |             | <b>73,925,707</b>  |             | <b>78,287,609</b>  |             |
| Surplus/Deficit  | <b>10,412,001</b>                                   |             | <b>28,003,300</b>  |             | <b>27,091,598</b>  |             |

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue solid waste removal, rental of properties, Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;

- Revenue management and enhancement;
- Achievement of a 70 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts. The proposed tariff increases for the 2013/14 MTREF on the different revenue categories is 5.5%,

| <b>LIM342 Mutale - Supporting Table SA18 Transfers and grant receipts</b> |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description   | Ref  | 2010/11         | 2011/12         | 2012/13         | Current Year 2013/14 |                 |                    | 2014/15 Medium Term Revenue & Expenditure Framework |                        |                        |
| R thousand  |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2014/15                                 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| RECEIPTS:   | 1, 2 |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Operating Transfers and Grants  |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| National Government:  |      | 31,725          | 39,276          | 46,189          | 54,714               | 55,749          | 55,749             | 70,265  | 92,973                 | 96,594                 |
| Local Government Equitable Share  |      | 29,975          | 37,232          | 42,889          | 51,174               | 51,174          | 51,174             | 64,971  | 88,793                 | 92,164                 |
| Finance Management  |      | 1,000           | 1,254           | 1,500           | 1,650                | 1,650           | 1,650              | 1,800   | 1,950                  | 2,100                  |
| Municipal Systems Improvement   |      | 750             | 790             | 800             | 890                  | 890             | 890                | 934   | 967                    | 1,018                  |
| EPWP Incentive  |      | –               | –               | 1,000           | 1,000                | 1,000           | 1,000              | 1,357   | –                      | –                      |
|   |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
|   |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other transfers/grants [MIG]  |      |                 | –               |                 |                      | 1,035           | 1,035              | 1,203   | 1,263                  | 1,312                  |
| Provincial Government:  |      | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
|   |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
|   |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
|   |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
|   |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other transfers/grants [MIG]  |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| District Municipality:  |      | 19,389          | 4,726           | –               | –                    | –               | –                  | –   | –                      | –                      |



|   |   |        |        |        |        |         |         |        |         |         |
|---|---|--------|--------|--------|--------|---------|---------|--------|---------|---------|
| [Operation and maintenance]               |   | 19,389 | 4,726  | –      |        |         |         |        |         |         |
|   |   |        |        |        |        |         |         |        |         |         |
| Other grant providers:                    |   | –      | 444    | –      | –      | –       | –       | –      | –       | –       |
| LED                                       |   | –      | 444    |        |        |         |         |        |         |         |
| LGSETA                                    |   |        |        |        |        |         |         |        |         |         |
| Total Operating Transfers and Grants      | 5 | 51,114 | 44,446 | 46,189 | 54,714 | 55,749  | 55,749  | 70,265 | 92,973  | 96,594  |
|   |   |        |        |        |        |         |         |        |         |         |
| Capital Transfers and Grants              |   |        |        |        |        |         |         |        |         |         |
| National Government:                      |   |        |        |        | 23,783 | 44,448  | 44,448  | 22,855 | 24,005  | 24,934  |
|   |   | 11,056 | 13,910 | 18,223 |        |         |         |        |         |         |
| Municipal Infrastructure Grant (MIG)      |   |        |        |        | 20,783 | 19,748  | 19,748  | 22,855 | 24,005  | 24,934  |
|   |   | 11,056 | 13,910 | 17,486 |        |         |         |        |         |         |
|   |   |        |        |        |        |         |         |        |         |         |
| Disaster Grant                            |   |        |        | 57     | –      | 24,700  | 24,700  | –      | –       | –       |
| Integrated National Electrification Grant |   |        |        | 680    |        |         |         |        |         |         |
| Other capital transfers/grants [DEAE]     |   |        |        |        | 3,000  | –       | –       | –      | –       | –       |
| Provincial Government:                    |   | –      |        | –      | –      | –       | –       | –      | –       | –       |
|   |   |        | 2,292  |        |        |         |         |        |         |         |
| Other capital transfers/grants [DME]      |   |        | 2,292  |        |        |         |         |        |         |         |
| District Municipality:                    |   |        | –      | –      | –      | –       | –       | –      | –       | –       |
|   |   | 2,000  |        |        |        |         |         |        |         |         |
| [Operation and maintenance]               |   | 2,000  |        |        |        |         |         |        |         |         |
|   |   |        |        |        |        |         |         |        |         |         |
| Other grant providers:                    |   | –      | –      | –      | 96     | –       | –       | –      | –       | –       |
| LED                                       |   |        |        |        | 96     | –       | –       | –      | –       | –       |
|   |   |        |        |        |        |         |         |        |         |         |
| Total Capital Transfers and Grants        | 5 |        |        |        |        |         |         |        |         |         |
|   |   | 13,056 | 16,202 | 18,223 | 23,879 | 44,448  | 44,448  | 22,855 | 24,005  | 24,934  |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS      |   |        |        |        |        |         |         |        |         |         |
|   |   | 64,170 | 60,648 | 64,412 | 78,593 | 100,197 | 100,197 | 93,120 | 116,978 | 121,528 |

## 5.6 Expenditure on grant allocations and grant programmes

| <b>LIM342 Mutale - Supporting Table SA19 Expenditure on transfers and grant programme</b> |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description   | Ref | 2010/11         | 2011/12         | 2012/13         | Current Year 2013/14 |                 |                    | 2014/15 Medium Term Revenue & Expenditure Framework |                        |                        |
| R thousand  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2014/15                                 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| EXPENDITURE:  | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Operating expenditure of Transfers and Grants   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| National Government:  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Local Government Equitable Share  |     | 31,725          | 39,276          | 46,189          | 54,714               | 55,749          | 55,749             | 70,265  | 92,973                 | 96,594                 |
| Finance Management  |     | 29,975          | 37,232          | 42,889          | 51,174               | 51,174          | 51,174             | 64,971  | 88,793                 | 92,164                 |
| Municipal Systems Improvement   |     | 1,000           | 1,254           | 1,500           | 1,650                | 1,650           | 1,650              | 1,800   | 1,950                  | 2,100                  |
| EPWP Incentive  |     | 750             | 790             | 800             | 890                  | 890             | 890                | 934   | 967                    | 1,018                  |
|   |     | -               | -               | 1,000           | 1,000                | 1,000           | 1,000              | 1,357   | -                      | -                      |
|   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other transfers/grants [MIG]  |     | -               | -               |                 |                      | 1,035           | 1,035              | 1,203   | 1,263                  | 1,312                  |
| Provincial Government:  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
|   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other transfers/grants [MIG]  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| District Municipality:  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| [Operation and maintenance]   |     | 19,389          | 4,726           | -               | -                    | -               | -                  | -   | -                      | -                      |

|  |  |        |        |        |        |         |         |        |         |         |
|--|--|--------|--------|--------|--------|---------|---------|--------|---------|---------|
|  |  | 19,389 | 4,726  |        |        |         |         |        |         |         |
|  |  |        |        |        |        |         |         |        |         |         |
| Other grant providers:                               |  | –      | 444    | –      | –      | –       | –       | –      | –       | –       |
| LED  |  |        |        |        |        |         |         |        |         |         |
| LGSETA   |  | –      | 444    |        |        |         |         |        |         |         |
| Total operating expenditure of Transfers and Grants: |  | 51,114 | 44,446 | 46,189 | 54,714 | 55,749  | 55,749  | 70,265 | 92,973  | 96,594  |
|  |  |        |        |        |        |         |         |        |         |         |
| Capital expenditure of Transfers and Grants          |  |        |        |        |        |         |         |        |         |         |
| National Government:                                 |  |        |        |        |        |         |         |        |         |         |
|  |  | 11,056 | 13,910 | 18,223 | 23,783 | 44,448  | 44,448  | 22,855 | 24,005  | 24,934  |
| Municipal Infrastructure Grant (MIG)                 |  | 11,056 | 13,910 | 17,486 | 20,783 | 19,748  | 19,748  | 22,855 | 24,005  | 24,934  |
|  |  |        |        |        |        |         |         |        |         |         |
|  |  |        |        |        |        |         |         |        |         |         |
| Disaster Grant                                       |  |        |        | 57     | –      |         | 24,700  | –      | –       | –       |
| Integrated National Electrification Grant            |  |        |        | 680    |        |         |         |        |         |         |
| Other capital transfers/grants [DEAE]                |  |        |        |        | 3,000  | –       | –       |        |         |         |
| Provincial Government:                               |  | –      | 2,292  | –      | –      | –       | –       | –      | –       | –       |
| Other capital transfers/grants [DME]                 |  |        | 2,292  |        |        |         |         |        |         |         |
| District Municipality:                               |  | 2,000  | –      | –      | –      | –       | –       | –      | –       | –       |
| [Operation and maintenance]                          |  | 2,000  |        |        |        |         |         |        |         |         |
|  |  |        |        |        |        |         |         |        |         |         |
| Other grant providers:                               |  | –      | –      | –      | 96     | –       | –       | –      | –       | –       |
| LED  |  |        |        |        | 96     | –       | –       |        |         |         |
|  |  |        |        |        |        |         |         |        |         |         |
| Total capital expenditure of Transfers and Grants    |  | 13,056 | 16,202 | 18,223 | 23,879 | 44,448  | 44,448  | 22,855 | 24,005  | 24,934  |
|  |  |        |        |        |        |         |         |        |         |         |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS            |  | 64,170 | 60,648 | 64,412 | 78,593 | 100,197 | 100,197 | 93,120 | 116,978 | 121,528 |

| <b>LIM342 Mutale - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds</b> |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description  | Ref | 2010/11         | 2011/12         | 2012/13         | Current Year 2013/14 |                 |                    | 2014/15 Medium Term Revenue & Expenditure Framework |                        |                        |
| R thousand   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2014/15                                 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Operating transfers and grants:  | 1,3 |                 |                 |                 |                      |                 |                    |   |                        |                        |
| National Government:   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Balance unspent at beginning of the year   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Current year receipts  |     | 31,725          | 39,276          | 46,189          | 54,714               | 55,749          | 55,749             | 70,265  | 92,973                 | 96,594                 |
| Conditions met - transferred to revenue  |     | 31,725          | 39,276          | 46,189          | 54,714               | 55,749          | 55,749             | 70,265  | 92,973                 | 96,594                 |
| Conditions still to be met - transferred to liabilities  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Provincial Government:   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Balance unspent at beginning of the year   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Current year receipts  |     | 580             |                 |                 |                      |                 |                    |   |                        |                        |
| Conditions met - transferred to revenue  |     | 580             | —               | —               | —                    | —               | —                  | —   | —                      | —                      |
| Conditions still to be met - transferred to liabilities  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| District Municipality:   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Balance unspent at beginning of the year   |     | —               |                 |                 |                      |                 |                    |   |                        |                        |
| Current year receipts  |     | 18,809          | 4,726           |                 |                      |                 |                    |   |                        |                        |
| Conditions met - transferred to revenue  |     | 18,809          | 4,726           | —               | —                    | —               | —                  | —   | —                      | —                      |
| Conditions still to be met - transferred to liabilities  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other grant providers:   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Balance unspent at beginning of the year   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Current year receipts  |     | —               | 444             |                 |                      |                 |                    |   |                        |                        |
| Conditions met - transferred to revenue  |     | —               | 444             | —               |                      | —               | —                  | —   | —                      | —                      |



|   |   |        |        |        |        |         |         |        |         |         |
|---|---|--------|--------|--------|--------|---------|---------|--------|---------|---------|
| Conditions still to be met - transferred to liabilities |   |        |        |        |        |         |         |        |         |         |
| Total capital transfers and grants revenue              |   | 13,056 | 16,202 | 18,223 | 23,783 | 44,448  | 44,448  | 22,855 | 24,005  | 24,934  |
| Total capital transfers and grants - CTBM               | 2 | –      | –      | –      | –      | –       | –       | –      | –       | –       |
|   |   |        |        |        |        |         |         |        |         |         |
| TOTAL TRANSFERS AND GRANTS REVENUE                      |   | 64,170 | 60,648 | 64,412 | 78,497 | 100,197 | 100,197 | 93,120 | 116,978 | 121,528 |
| TOTAL TRANSFERS AND GRANTS - CTBM                       |   | –      | –      | –      | –      | –       | –       | –      | –       | –       |

## 5.7 Councilor and board member allowances and employee benefits

| <b>LIM342 Mutale - Supporting Table SA22 Summary councillor and staff benefits</b> |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Summary of Employee and Councillor remuneration                                    | Ref | 2010/11         | 2011/12         | 2012/13         | Current Year 2013/14 |                 |                    | 2014/15 Medium Term Revenue & Expenditure Framework |                        |                        |
| R thousand   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2014/15                                 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
|  | 1   | A               | B               | C               | D                    | E               | F                  | G   | H                      | I                      |
| Councillors (Political Office Bearers plus Other)                                  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages   |     | 5,198           | 3,189           | 5,914           | 4,246                | 4,131           | 4,131              | 4,338   | 4,572                  | 4,819                  |
| Pension and UIF Contributions  |     | 479             | 563             | 684             | 694                  | 729             | 729                | 765   | 807                    | 850                    |
| Medical Aid Contributions  |     |                 | –               | –               |                      |                 |                    |   |                        |                        |
| Motor Vehicle Allowance  |     |                 |                 | –               |                      |                 |                    |   |                        |                        |

[illegible]

|                                     |   |        |        |         |        |        |        |        |        |        |
|-------------------------------------|---|--------|--------|---------|--------|--------|--------|--------|--------|--------|
|                                     |   | 5,367  | 3,932  | 4,566   | 4,257  | 4,019  | 4,019  | 4,733  | 5,035  | 5,358  |
| Medical Aid Contributions           |   | 1,975  | 290    | –       | 476    | 521    | 521    | 616    | 656    | 697    |
| Overtime                            |   | 439    | 701    | 359     | 382    | 382    | 382    | 382    | 407    | 433    |
| Performance Bonus                   |   | 258    | –      | 2,060   | 500    | 500    | 500    | 500    | 532    | 566    |
| Motor Vehicle Allowance             | 3 | –      | 958    | 2,266   | 2,435  | 2,063  | 2,063  | 2,348  | 2,498  | 2,658  |
| Cellphone Allowance                 | 3 | –      | 83     | 160     | 160    | 132    | 132    | 143    | 152    | 162    |
| Housing Allowances                  | 3 | 811    | 1,227  | 29      | 45     | 45     | 45     | 45     | 48     | 51     |
| Other benefits and allowances       | 3 | 606    | 1,308  | 709     | 406    | 402    | 402    | 464    | 493    | 525    |
| Payments in lieu of leave           |   |        |        | –       | 75     | 75     | 75     | 75     | 80     | 85     |
| Long service awards                 |   |        |        | 273     | 200    | 200    | 200    | 200    | 213    | 226    |
| Post-retirement benefit obligations | 6 |        |        | –       |        |        |        |        |        |        |
| Sub Total - Other Municipal Staff   |   | 33,495 | 34,326 | 28,537  | 30,038 | 28,274 | 28,274 | 32,578 | 34,663 | 36,881 |
| % increase                          | 4 |        | 2.5%   | (16.9%) | 5.3%   | (5.9%) | –      | 15.2%  | 6.4%   | 6.4%   |
|                                     |   |        |        |         |        |        |        |        |        |        |
| Total Parent Municipality           |   | 41,075 | 52,923 | 37,599  | 39,895 | 38,411 | 38,411 | 43,433 | 46,138 | 49,012 |
|                                     |   |        | 28.8%  | (29.0%) | 6.1%   | (3.7%) | –      | 13.1%  | 6.2%   | 6.2%   |

**NOTE:**

**Employee cost:**

The employee related cost has increased by 11 per cent due to vacant posts that were filled late during the year (2013/2014) as well as some that will be filled during the coming year. Circular 72 was considered when calculating the employee related costs.

**Councillor's remunerations**

The Government Gazette on Upper Limits for Councillors remuneration was used to determine the remuneration of councillors.



| LIM342 Mutale - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers) |      |     |           |               |            |                     |                  |               |
|--|------|-----|-----------|---------------|------------|---------------------|------------------|---------------|
| Disclosure of Salaries, Allowances & Benefits 1.   | Ref  | No. | Salary    | Contributions | Allowances | Performance Bonuses | In-kind benefits | Total Package |
| Rand per annum   |      |     |           | 1.            |            |                     |                  | 2.            |
| <u>Councillors</u>   | 3    |     |           |               |            |                     |                  |               |
| Speaker  | 4    |     | 339,872   | 59,977        | 156,735    |                     |                  | 556,585       |
| Chief Whip   |      |     | 318,631   | 56,229        | 148,589    |                     |                  | 523,449       |
| Executive Mayor  |      |     | 424,841   | 74,972        | 189,319    |                     |                  | 689,132       |
| Deputy Executive Mayor   |      |     | -         | -             | -          |                     |                  | -             |
| Executive Committee  |      |     | 832,688   | 146,945       | 424,922    |                     |                  | 1,404,555     |
| Total for all other councillors  |      |     | 2,421,595 | 427,340       | 1,438,240  |                     |                  | 4,287,175     |
| Total Councillors  | 8    | -   | 4,337,627 | 765,464       | 2,357,805  |                     |                  | 7,460,896     |
|  |      |     |           |               |            |                     |                  |               |
| <u>Senior Managers of the Municipality</u>   | 5    |     |           |               |            |                     |                  |               |
| Municipal Manager (MM)   |      |     | 505,651   | 145,882       | 224,555    |                     |                  | 876,087       |
| Chief Finance Officer  |      |     | 484,496   | 100,903       | 224,699    |                     |                  | 810,097       |
| Technical Manager  |      |     | 484,762   | 182,880       | 147,130    |                     |                  | 814,772       |
| Corporate manager  |      |     | 484,762   | 108,432       | 199,210    |                     |                  | 792,404       |
|  |      |     |           |               |            |                     |                  | -             |
|  |      |     |           |               |            |                     |                  | -             |
|  |      |     |           |               |            |                     |                  |               |
| <i>List of each official with packages &gt;= senior manager</i>  |      |     |           |               |            |                     |                  |               |
| Municipal Manager (MM)   |      |     | 505,651   | 145,882       | 224,555    |                     |                  | 876,087       |
| Chief Finance Officer  |      |     | 484,496   | 100,903       | 224,699    |                     |                  | 810,097       |
| Technical Manager  |      |     | 484,762   | 182,880       | 147,130    |                     |                  | 814,772       |
| Corporate manager  |      |     | 484,762   | 108,432       | 199,210    |                     |                  | 792,404       |
|  |      |     |           |               |            |                     |                  | -             |
|  |      |     |           |               |            |                     |                  | -             |
|  |      |     |           |               |            |                     |                  | -             |
|  |      |     |           |               |            |                     |                  |               |
|  |      |     |           |               |            |                     |                  |               |
|  |      |     |           |               |            |                     |                  | -             |
| Total Senior Managers of the Municipality  | 8,10 | -   | 3,919,340 | 1,076,194     | 1,591,186  | -                   |                  | 6,586,720     |

### LIM342 Mutale - Supporting Table SA24 Summary of personnel numbers

[illegible]

## 5.8 Monthly targets for revenue, expenditure and cash flow

[illegible]

|  |  |        |       |       |       |        |       |       |       |        |       |     |       |        |         |         |
|--|--|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|-----|-------|--------|---------|---------|
| charges - electricity revenue          |  |        |       |       |       |        |       |       |       |        |       |     | -     | -      | -       | -       |
| Service charges - water revenue        |  |        |       |       |       |        |       |       |       |        |       |     | -     | -      | -       | -       |
| Service charges - sanitation revenue   |  |        |       |       |       |        |       |       |       |        |       |     | -     | -      | -       | -       |
| Service charges - refuse revenue       |  | 79     | 79    | 79    | 79    | 79     | 79    | 79    | 79    | 79     | 79    | 79  | 79    | 943    | 989     | 1,098   |
| Service charges - other                |  |        |       |       |       |        |       |       |       |        |       |     | -     | -      | -       | -       |
| Rental of facilities and equipment     |  | 6      | 6     | 6     | 6     | 6      | 6     | 6     | 6     | 6      | 6     | 6   | 6     | 75     | 79      | 83      |
| Interest earned - external investments |  | 27     | 53    |       | 53    |        |       | 107   |       | 27     | 53    |     | -     | 320    | 320     | 320     |
| Interest earned - outstanding debtors  |  | 83     | 83    | 83    | 83    | 83     | 83    | 83    | 83    | 83     | 83    | 83  | 83    | 1,000  | 500     | 500     |
| Dividends received                     |  |        |       |       |       |        |       |       |       |        |       |     | -     | -      | -       | -       |
| Fines                                  |  | 17     | 17    | 17    | 17    | 17     | 17    | 17    | 17    | 17     | 17    | 17  | 17    | 201    | 212     | 223     |
| Licences and permits                   |  | 272    | 274   | 274   | 274   | 274    | 275   | 275   | 274   | 274    | 275   | 274 | 273   | 3,282  | 3,459   | 3,646   |
| Agency services                        |  |        |       |       |       |        |       |       |       |        |       |     | -     | -      | -       | -       |
| Transfers recognised - operational     |  | 24,391 | 602   | 400   |       | 21,657 | 600   |       | 357   | 21,657 | 601   |     | -     | 70,265 | 92,973  | 96,594  |
| Other revenue                          |  | 317    | 317   | 317   | 317   | 317    | 317   | 317   | 317   | 317    | 317   | 317 | 373   | 3,860  | 2,901   | 2,504   |
| Gains on disposal of PPE               |  |        |       |       |       |        |       |       |       |        |       |     | -     | -      | -       | -       |
| Total Revenue (excluding               |  | 25,370 | 1,609 | 1,355 | 1,008 | 22,612 | 1,556 | 1,062 | 1,312 | 22,638 | 1,610 | 955 | 1,009 | 82,096 | 103,584 | 107,119 |

|                                      |  |        |         |         |         |        |         |         |         |        |         |         |         |        |        |        |
|--------------------------------------|--|--------|---------|---------|---------|--------|---------|---------|---------|--------|---------|---------|---------|--------|--------|--------|
| capital transfers and contributions) |  |        |         |         |         |        |         |         |         |        |         |         |         |        |        |        |
| Expenditure By Type                  |  |        |         |         |         |        |         |         |         |        |         |         |         |        |        |        |
| Employee related costs               |  | 3,699  | 3,899   | 2,699   | 2,899   | 2,899  | 2,799   | 2,699   | 2,899   | 2,899  | 2,899   | 2,899   | 2,784   | 35,972 | 38,274 | 40,724 |
| Remunerat ion of councillors         |  | 579    | 579     | 579     | 579     | 579    | 579     | 579     | 1,040   | 592    | 592     | 592     | 592     | 7,461  | 7,864  | 8,288  |
| Debt impairment                      |  |        |         |         |         |        |         |         |         |        |         |         | 2,112   | 2,112  | 2,226  | 2,346  |
| Depreciatio n & asset impairment     |  |        |         |         |         |        |         |         |         |        |         |         | 3,000   | 3,000  | 3,162  | 3,333  |
| Finance charges                      |  | 10     | 10      | 10      | 10      | 10     | 10      | 10      | 10      | 10     | 10      | 10      | 10      | 119    | 126    | 132    |
| Bulk purchases                       |  |        |         |         |         |        |         |         |         |        |         |         | -       | -      | -      | -      |
| Other materials                      |  |        |         |         |         |        |         |         |         |        |         |         | -       | -      | -      | -      |
| Contracted services                  |  | 106    | 106     | 774     | 106     | 106    | 106     | 106     | 106     | 506    | 106     | 106     | 107     | 2,337  | 2,463  | 2,596  |
| Transfers and grants                 |  |        |         |         |         |        |         |         |         |        |         |         | -       | -      | -      | -      |
| Other expenditure                    |  | 1,699  | 1,699   | 1,699   | 1,699   | 1,699  | 1,699   | 1,999   | 1,299   | 1,699  | 1,699   | 1,699   | 1,799   | 20,382 | 21,466 | 22,607 |
| Loss on disposal of PPE              |  |        |         |         |         |        |         |         |         |        |         |         | -       | -      | -      | -      |
| Total Expenditure                    |  | 6,092  | 6,292   | 5,760   | 5,292   | 5,292  | 5,192   | 5,392   | 5,353   | 5,705  | 5,305   | 5,305   | 10,404  | 71,384 | 75,581 | 80,028 |
| Surplus/(Deficit)                    |  | 19,278 | (4,683) | (4,405) | (4,284) | 17,320 | (3,636) | (4,330) | (4,042) | 16,933 | (3,695) | (4,350) | (9,394) | 10,712 | 28,003 | 27,092 |
| Transfers recognised - capital       |  | 5,714  |         | 5,174   |         | 5,714  |         | 6,254   |         |        |         |         | -       | 22,855 | 24,005 | 24,934 |
| Contributio ns recognised - capital  |  |        |         |         |         |        |         |         |         |        |         |         | -       | -      | -      | -      |
| Contribute d assets                  |  |        |         |         |         |        |         |         |         |        |         |         | -       | -      | -      | -      |
| Surplus/(Deficit) after capital      |  | 24,99  | (4,68   | 768     | (4,284  | 23,033 | (3,636) | 1,924   | (4,042) | 16,93  | (3,69   | (4,35   | (9,39   | 33,567 | 52,008 | 52,025 |

|  |   |        |         |     |         |        |         |       |         |        |         |         |         |        |        |        |
|--|---|--------|---------|-----|---------|--------|---------|-------|---------|--------|---------|---------|---------|--------|--------|--------|
| transfers & contributions                |   | 2      | 3)      |     | )       |        |         |       |         | 3      | 5)      | 0)      | 4)      |        |        |        |
| Taxation                                 |   |        |         |     |         |        |         |       |         |        |         |         | -       | -      | -      | -      |
| Attributable to minorities               |   |        |         |     |         |        |         |       |         |        |         |         | -       | -      | -      | -      |
| Share of surplus/ (deficit) of associate |   |        |         |     |         |        |         |       |         |        |         |         | -       | -      | -      | -      |
| Surplus/(Deficit)                        | 1 | 24,992 | (4,683) | 768 | (4,284) | 23,033 | (3,636) | 1,924 | (4,042) | 16,933 | (3,695) | (4,350) | (9,394) | 33,567 | 52,008 | 52,025 |

**LIM342 Mutale - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)**

| Description                         | Ref | Budget Year 2014/15 |        |       |         |          |          |         |          |        |       |     |      | Medium Term Revenue and Expenditure Framework |                        |                        |
|-------------------------------------|-----|---------------------|--------|-------|---------|----------|----------|---------|----------|--------|-------|-----|------|---|------------------------|------------------------|
| R thousand                          |     | July                | August | Sept. | October | November | December | January | February | March  | April | May | June | Budget Year 2014/15                           | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Revenue by Vote                     |     |                     |        |       |         |          |          |         |          |        |       |     |      |   |                        |                        |
| Vote 1 - EXECUTIVE AND COUNCIL      |     |                     |        |       |         |          |          |         |          |        |       |     | -    | -   | -                      | -                      |
| Vote 2 - MUNICIPAL MANAGER'S OFFICE |     | 14                  | 14     | 14    | 14      | 14       | 14       | 14      | 14       | 14     | 14    | 14  | 14   | 169   | 178                    | 188                    |
| Vote 3 - BUDGET AND TREASURY OFFICE |     | 24,680              | 316    | 316   | 316     | 21,973   | 316      | 316     | 316      | 21,920 | 263   | 263 | 244  | 71,236  | 94,745                 | 98,320                 |
| Vote 4 - INFRASTRUCTURE DEVELOPMENT |     | 6,109               | 5,474  | 396   | 396     | 596      | 396      | 6,849   | 696      | 396    | 6,109 | 696 | 400  | 28,511  | 27,359                 | 27,952                 |
| Vote 5 - CORPORATE                  |     | 420                 | 420    | 420   | 420     | 420      | 420      | 420     | 420      | 420    | 420   | 420 | 420  | 5,035   | 5,307                  | 5,593                  |

|  |   |        |       |         |         |        |         |       |         |        |       |         |         |         |         |         |
|--|---|--------|-------|---------|---------|--------|---------|-------|---------|--------|-------|---------|---------|---------|---------|---------|
| SERVICES                                 |   |        |       |         |         |        |         |       |         |        |       |         |         |         |         |         |
| Total Revenue by Vote                    |   | 31,223 | 6,223 | 1,145   | 1,145   | 23,002 | 1,145   | 7,599 | 1,445   | 22,749 | 6,806 | 1,392   | 1,077   | 104,951 | 127,589 | 132,053 |
| Expenditure by Vote to be appropriated   |   |        |       |         |         |        |         |       |         |        |       |         |         |         |         |         |
| Vote 1 - EXECUTIVE AND COUNCIL           |   | 630    | 630   | 630     | 630     | 630    | 630     | 630   | 1,998   | 870    | 870   | 870     | 870     | 9,889   | 10,423  | 10,986  |
| Vote 2 - MUNICIPAL MANAGER'S OFFICE      |   | 610    | 610   | 610     | 610     | 610    | 610     | 610   | 610     | 610    | 610   | 610     | 988     | 7,698   | 8,163   | 8,655   |
| Vote 3 - BUDGET AND TREASURY OFFICE      |   | 2,557  | 1,557 | 957     | 957     | 1,557  | 957     | 1,557 | 1,557   | 2,537  | 1,557 | 1,557   | 1,377   | 18,683  | 19,755  | 20,890  |
| Vote 4 - INFRASTRUCTURE DEVELOPMENT      |   | 1,319  | 1,319 | 819     | 1,319   | 1,319  | 1,319   | 1,319 | 1,319   | 1,319  | 1,319 | 1,319   | 1,753   | 15,764  | 16,703  | 17,699  |
| Vote 5 - CORPORATE SERVICES              |   | 1,582  | 1,582 | 1,182   | 1,582   | 1,982  | 1,282   | 1,882 | 1,882   | 1,582  | 1,582 | 1,582   | 1,644   | 19,349  | 20,537  | 21,798  |
| Total Expenditure by Vote                |   | 6,699  | 5,699 | 4,199   | 5,099   | 6,099  | 4,799   | 5,999 | 7,367   | 6,919  | 5,939 | 5,939   | 6,631   | 71,384  | 75,581  | 80,028  |
| Surplus/(Deficit) before assoc.          |   | 24,525 | 525   | (3,054) | (3,954) | 16,903 | (3,654) | 1,600 | (5,922) | 15,830 | 867   | (4,547) | (5,554) | 33,567  | 52,008  | 52,025  |
| Taxation                                 |   |        |       |         |         |        |         |       |         |        |       |         | -       | -       | -       | -       |
| Attributable to minorities               |   |        |       |         |         |        |         |       |         |        |       |         | -       | -       | -       | -       |
| Share of surplus/ (deficit) of associate |   |        |       |         |         |        |         |       |         |        |       |         | -       | -       | -       | -       |
| Surplus/(Deficit)                        | 1 | 24,525 | 525   | (3,054) | (3,954) | 16,903 | (3,654) | 1,600 | (5,922) | 15,830 | 867   | (4,547) | (5,554) | 33,567  | 52,008  | 52,025  |

**LIM342 Mutale - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (standard classification)**

| Description | R<br>e<br>f | Budget Year 2014/15 |  |  |  |  |  |  |  |  |  |  | Medium Term Revenue and Expenditure Framework |  |  |  |
|-------------|-------------|---------------------|--|--|--|--|--|--|--|--|--|--|---|--|--|--|
|-------------|-------------|---------------------|--|--|--|--|--|--|--|--|--|--|---|--|--|--|





|                                     |  |        |       |       |       |        |       |       |       |        |       |       |       |         |         |         |
|-------------------------------------|--|--------|-------|-------|-------|--------|-------|-------|-------|--------|-------|-------|-------|---------|---------|---------|
|                                     |  | 79     | 79    | 79    | 79    | 79     | 79    | 79    | 79    | 79     | 79    | 79    | 79    | 943     | 989     | 1,098   |
| Other                               |  | 14     | 14    | 14    | 14    | 14     | 14    | 14    | 14    | 14     | 14    | 14    | 14    | 169     | 178     | 188     |
| Total Revenue - Standard            |  | 31,103 | 7,203 | 1,025 | 1,025 | 22,882 | 1,125 | 7,479 | 1,325 | 22,629 | 6,685 | 1,272 | 1,199 | 104,951 | 127,589 | 132,053 |
|                                     |  |        | 8,402 | 1,124 | 1,124 | 22,981 | 1,324 | 7,577 | 1,424 | 22,727 | 6,784 | 1,370 |       |         |         |         |
| Expenditure - Standard              |  |        |       |       |       |        |       |       |       |        |       |       |       |         |         |         |
| Governance and administration       |  | 4,848  | 3,848 | 3,248 | 3,248 | 3,848  | 3,248 | 3,848 | 5,216 | 5,068  | 4,088 | 4,088 | 4,285 | 48,876  | 51,712  | 54,716  |
| Executive and council               |  | 1,240  | 1,240 | 1,240 | 1,240 | 1,240  | 1,240 | 1,240 | 2,608 | 1,480  | 1,480 | 1,480 | 1,858 | 17,588  | 18,586  | 19,641  |
| Budget and treasury office          |  | 2,557  | 1,557 | 957   | 957   | 1,557  | 957   | 1,557 | 1,557 | 2,537  | 1,557 | 1,557 | 1,377 | 18,683  | 19,755  | 20,890  |
| Corporate services                  |  | 1,050  | 1,050 | 1,050 | 1,050 | 1,050  | 1,050 | 1,050 | 1,050 | 1,050  | 1,050 | 1,050 | 1,050 | 12,605  | 13,371  | 14,185  |
| Community and public safety         |  | 139    | 139   | 139   | 139   | 139    | 139   | 139   | 139   | 139    | 139   | 139   | 139   | 1,666   | 1,762   | 1,864   |
| Community and social services       |  |        |       |       |       |        |       |       |       |        |       |       | -     | -       | -       | -       |
| Sport and recreation                |  | 40     | 40    | 40    | 40    | 40     | 40    | 40    | 40    | 40     | 40    | 40    | 40    | 476     | 506     | 538     |
| Public safety                       |  | 84     | 84    | 84    | 84    | 84     | 84    | 84    | 84    | 84     | 84    | 84    | 84    | 1,013   | 1,068   | 1,126   |
| Housing                             |  | 15     | 15    | 15    | 15    | 15     | 15    | 15    | 15    | 15     | 15    | 15    | 15    | 177     | 189     | 201     |
| Health                              |  |        |       |       |       |        |       |       |       |        |       |       | -     | -       | -       | -       |
| Economic and environmental services |  | 1,467  | 1,467 | 1,467 | 1,467 | 1,467  | 1,467 | 1,467 | 1,467 | 1,467  | 1,467 | 1,467 | 1,699 | 17,836  | 18,926  | 20,083  |
| Planning and development            |  | 253    | 253   | 253   | 253   | 253    | 253   | 253   | 253   | 253    | 253   | 253   | 266   | 3,050   | 3,233   | 3,427   |
| Road transport                      |  | 1,214  | 1,214 | 1,214 | 1,214 | 1,214  | 1,214 | 1,214 | 1,214 | 1,214  | 1,214 | 1,214 | 1,434 | 14,786  | 15,693  | 16,656  |
| Environmental protection            |  |        |       |       |       |        |       |       |       |        |       |       | -     | -       | -       | -       |
| Trading services                    |  | 250    | 250   | 250   | 250   | 250    | 250   | 250   | 250   | 250    | 250   | 250   | 250   | 3,006   | 3,180   | 3,365   |
| Electricity                         |  | 148    | 148   | 148   | 148   | 148    | 148   | 148   | 148   | 148    | 148   | 148   | 148   | 1,770   | 1,866   | 1,966   |

|  |   |        |       |         |         |        |         |       |         |        |       |         |         |        |        |        |   |
|--|---|--------|-------|---------|---------|--------|---------|-------|---------|--------|-------|---------|---------|--------|--------|--------|---|
| Water                                    |   |        |       |         |         |        |         |       |         |        |       |         |         | -      | -      | -      | - |
| Waste water management                   |   |        |       |         |         |        |         |       |         |        |       |         |         | -      | -      | -      | - |
| Waste management                         |   | 103    | 103   | 103     | 103     | 103    | 103     | 103   | 103     | 103    | 103   | 103     | 103     | 1,236  | 1,315  | 1,399  |   |
| Other                                    |   |        |       |         |         |        |         |       |         |        |       |         |         | -      | -      | -      | - |
| Total Expenditure - Standard             |   | 6,704  | 5,704 | 5,104   | 5,104   | 5,704  | 5,104   | 5,704 | 7,072   | 6,924  | 5,944 | 5,944   | 6,374   | 71,384 | 75,581 | 80,028 |   |
| Surplus/(Deficit) before assoc.          |   | 24,399 | 1,499 | (4,079) | (4,079) | 17,178 | (3,979) | 1,775 | (5,747) | 15,705 | 741   | (4,672) | (5,174) | 33,567 | 52,008 | 52,025 |   |
| Share of surplus/ (deficit) of associate |   |        |       |         |         |        |         |       |         |        |       |         | -       | -      | -      | -      |   |
| Surplus/(Deficit)                        | 1 | 24,399 | 1,499 | (4,079) | (4,079) | 17,178 | (3,979) | 1,775 | (5,747) | 15,705 | 741   | (4,672) | (5,174) | 33,567 | 52,008 | 52,025 |   |

**LIM342 Mutale - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)**

| Description                               | R ef | Budget Year 2014/15 |         |        |          |       |       |          |       |        |        |      |       | Medium Term Revenue and Expenditure Framework |                          |                          |
|---|------|---------------------|---------|--------|----------|-------|-------|----------|-------|--------|--------|------|-------|---|--------------------------|--------------------------|
| R thousand                                |      | Jul y               | Aug ust | Se pt. | Octo ber | No v. | De c. | Janu ary | Fe b. | Mar ch | Apr il | M ay | Jun e | Budg et Year 2014 /15                         | Budg et Year +1 2015 /16 | Budg et Year +2 2016 /17 |
| Multi-year expenditure to be appropriated | 1    |                     |         |        |          |       |       |          |       |        |        |      |       |   |                          |                          |
| Vote 1 - EXECUTIVE                        |      |                     |         |        |          |       |       |          |       |        |        |      | -     | -   | -                        | -                        |

|  |   |       |       |       |       |       |   |       |   |       |       |   |     |        |        |        |
|--|---|-------|-------|-------|-------|-------|---|-------|---|-------|-------|---|-----|--------|--------|--------|
| AND COUNCIL                                |   |       |       |       |       |       |   |       |   |       |       |   |     |        |        |        |
| Vote 2 - MUNICIPAL MANAGER'S OFFICE        |   |       |       |       |       |       |   |       |   |       |       |   | -   | -      | -      | -      |
| Vote 3 - BUDGET AND TREASURY OFFICE        |   |       |       |       |       |       |   |       |   |       |       |   | -   | -      | -      | -      |
| Vote 4 - INFRASTRUCTURE DEVELOPMENT        |   | 1,500 | 2,000 | 4,000 | 3,000 | 3,000 | - | 3,000 | - | 3,000 | 3,000 | - | 355 | 22,855 | 24,005 | 24,934 |
| Vote 5 - CORPORATE SERVICES                |   |       |       |       |       |       |   |       |   |       |       |   | -   | -      | -      | -      |
| Capital multi-year expenditure sub-total   | 2 | 1,500 | 2,000 | 4,000 | 3,000 | 3,000 | - | 3,000 | - | 3,000 | 3,000 | - | 355 | 22,855 | 24,005 | 24,934 |
| Single-year expenditure to be appropriated |   |       |       |       |       |       |   |       |   |       |       |   |     |        |        |        |
| Vote 1 - EXECUTIVE AND COUNCIL             |   |       |       |       |       |       |   |       |   |       |       |   | -   | -      | -      | -      |
| Vote 2 - MUNICIPAL MANAGER'S OFFICE        |   |       |       |       |       |       |   |       |   |       |       |   | -   | -      | -      | -      |
| Vote 3 - BUDGET AND                        |   |       |       | -     |       |       |   |       | - |       |       |   | -   | -      | 70     | 80     |

|   |   |       |       |       |       |       |   |       |     |       |       |     |       |        |        |        |
|---|---|-------|-------|-------|-------|-------|---|-------|-----|-------|-------|-----|-------|--------|--------|--------|
| TREASURY OFFICE                           |   |       |       |       |       |       |   |       |     |       |       |     |       |        |        |        |
| Vote 4 - INFRASTRUCTURE DEVELOPMENT       |   | 20    | 385   | 5,010 | 80    | 505   | – | 2,383 | 100 | –     | 204   | –   | 403   | 9,090  | 11,850 | 5,630  |
| Vote 5 - CORPORATE SERVICES               |   | 52    | 300   | 20    | –     | 20    | – | 290   | 200 | 2     | 300   | 100 | 338   | 1,622  | 2,682  | 2,110  |
| Capital single-year expenditure sub-total | 2 | 72    | 685   | 5,030 | 80    | 525   | – | 2,673 | 300 | 2     | 504   | 100 | 741   | 10,712 | 14,602 | 7,820  |
| Total Capital Expenditure                 | 2 | 1,572 | 2,685 | 9,030 | 3,080 | 3,525 | – | 5,673 | 300 | 3,002 | 3,504 | 100 | 1,096 | 33,567 | 38,607 | 32,754 |

**LIM342 Mutale - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (standard classification)**

| Description                    | Ref | Budget Year 2014/15 |        |       |         |      |      |         |      |       |       |     |      | Medium Term Revenue and Expenditure Framework |                        |                        |
|--------------------------------|-----|---------------------|--------|-------|---------|------|------|---------|------|-------|-------|-----|------|---|------------------------|------------------------|
| R thousand                     |     | July                | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2014/15                           | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Capital Expenditure - Standard | 1   |                     |        |       |         |      |      |         |      |       |       |     |      |   |                        |                        |
| <b>Governance and</b>          |     | 2                   | 300    | 20    | –       | 20   | –    | 20      | 20   | –     | –     | –   | 40   | 602   | 1,07                   | 480                    |



|  |   |           |           |           |           |           |         |           |         |           |           |         |           |            |            |            |
|--|---|-----------|-----------|-----------|-----------|-----------|---------|-----------|---------|-----------|-----------|---------|-----------|------------|------------|------------|
| <b>services</b>                            |   | –         | 50        | 10        | –         | –         | –       | 2,40<br>0 | –       | –         | –         | –       | –         | 2,46<br>0  | 50         | 30         |
| Electricity                                |   |           |           |           |           |           |         |           |         |           |           |         | –         | –          | –          | –          |
| Water                                      |   |           |           |           |           |           |         |           |         |           |           |         | –         | –          | –          | –          |
| Waste<br>water<br>management               |   |           |           |           |           |           |         |           |         |           |           |         | –         | –          | –          | –          |
| Waste<br>management                        |   |           | 50        | 10        |           |           |         | 2,40<br>0 |         |           |           |         | –         | 2,46<br>0  | 50         | 30         |
| <b>Other</b>                               |   | 50        |           | 5,0<br>00 |           | 100       |         | 250       |         |           | 300       |         | 800       | 6,50<br>0  | 11,8<br>00 | 5,60<br>0  |
| Total Capital<br>Expenditure -<br>Standard | 2 | 1,5<br>72 | 3,38<br>5 | 5,0<br>30 | 3,58<br>0 | 3,5<br>25 | 50<br>0 | 5,67<br>3 | 30<br>0 | 4,0<br>02 | 3,5<br>04 | 10<br>0 | 2,3<br>96 | 33,5<br>67 | 38,6<br>07 | 32,7<br>54 |
| Funded by:                                 |   |           |           |           |           |           |         |           |         |           |           |         |           |            |            |            |
| National<br>Government                     |   | 5,7<br>14 |           | 5,1<br>74 |           | 5,7<br>14 |         | 6,25<br>4 |         |           |           |         | –         | 22,8<br>55 | 24,0<br>05 | 24,9<br>34 |
| Provincial<br>Government                   |   |           |           |           |           |           |         |           |         |           |           |         | –         | –          | –          | –          |
| District<br>Municipality                   |   |           |           |           |           |           |         |           |         |           |           |         | –         | –          | –          | –          |
| Other<br>transfers and<br>grants           |   |           |           |           |           |           |         |           |         |           |           |         | –         | –          | –          | –          |
| Transfers<br>recognised -<br>capital       |   | 5,7<br>14 | –         | 5,1<br>74 | –         | 5,7<br>14 | –       | 6,25<br>4 | –       | –         | –         | –       | –         | 22,8<br>55 | 24,0<br>05 | 24,9<br>34 |
| Public<br>contributions<br>& donations     |   |           |           |           |           |           |         |           |         |           |           |         | –         | –          | –          | –          |
| Borrowing                                  |   |           |           |           |           |           |         |           |         |           |           |         | –         | –          | –          | –          |







|   |       |     |       |     |       |       |       |      |     |     |     |     |        |        |        |
|---|-------|-----|-------|-----|-------|-------|-------|------|-----|-----|-----|-----|--------|--------|--------|
| Other Cash Flows by Source                              |       |     |       |     |       |       |       |      |     |     |     |     |        |        |        |
| Transfer receipts - capital                             | 5,714 |     | 5,174 |     | 5,714 |       | 6,254 |      |     |     |     | –   | 22,855 | 24,005 | 24,934 |
| Contributions recognised - capital & Contributed assets |       |     |       |     |       |       |       |      |     |     |     | –   |        |        |        |
| Proceeds on disposal of PPE                             |       |     |       |     |       |       |       |      |     |     |     | –   |        |        |        |
| Short term loans  |       |     |       |     |       |       |       |      |     |     |     | –   |        |        |        |
| Borrowing long term/refinancing                         |       |     |       |     |       |       |       |      |     |     |     | –   |        |        |        |
| Increase (decrease) in consumer deposits                |       | 1   |       |     |       |       | 1     |      |     | 1   |     | –   | 3      | 3      | 4      |
| Decrease (Increase) in non-current debtors              | 80    | 80  | 100   | 80  | 80    | 50    | 80    | 120  | 95  | 80  | 80  | 75  | 1,000  | 1,000  | 1,000  |
| Decrease (increase) other non-current receivables       | 20    | 20  | 20    | 20  | 20    | 20    | 20    | 20   | 20  | 20  | 20  | 30  | 250    | 250    | 250    |
| Decrease (increase) in non-current investments          |       |     |       |     |       |       |       |      |     |     |     | –   |        |        |        |
| Total Cash Receipts by                                  | 31,   | 1,4 | 7,0   | 994 | 28,31 | 1,312 | 7,20  | 1,33 | 22, | 1,6 | 941 | 745 | 104,   | 127,   | 132,   |



|  |        |         |         |         |        |         |        |         |        |         |         |         |         |         |         |
|--|--------|---------|---------|---------|--------|---------|--------|---------|--------|---------|---------|---------|---------|---------|---------|
| Other Cash Flows/Payments by Type              |        |         |         |         |        |         |        |         |        |         |         |         |         |         |         |
| Capital assets                                 | 1,500  | 2,000   | 5,000   | 3,000   | 3,000  | 2,400   | 3,000  | 3,000   | 3,000  | 3,000   | 3,000   | 1,727   | 33,627  | 38,607  | 32,754  |
| Repayment of borrowing                         | 29     | 29      | 29      | 29      | 29     | 29      | 29     | 29      | 29     | 29      | 29      | 29      | 349     | 394     | 106     |
| Other Cash Flows/Payments                      |        | 360     |         | 720     | 70     | 360     | 100    |         | 80     | 110     |         | –       | 1,800   | 1,897   | 2,000   |
| Total Cash Payments by Type                    | 7,428  | 8,488   | 10,628  | 8,848   | 8,198  | 7,788   | 8,028  | 8,589   | 8,621  | 8,251   | 8,141   | 7,243   | 100,248 | 109,193 | 107,208 |
| NET INCREASE/(DECREASE) IN CASH HELD           | 23,643 | (6,991) | (3,593) | (7,853) | 20,114 | (6,476) | (824)  | (7,251) | 14,019 | (6,553) | (7,200) | (6,498) | 4,539   | 18,626  | 25,109  |
| Cash/cash equivalents at the month/year begin: | 81     | 23,724  | 16,733  | 13,141  | 5,287  | 25,402  | 18,926 | 18,102  | 10,851 | 24,870  | 18,318  | 11,118  | 81      | 4,620   | 23,246  |
| Cash/cash equivalents at the month/year end:   | 23,724 | 16,733  | 13,141  | 5,287   | 25,402 | 18,926  | 18,102 | 10,851  | 24,870 | 18,318  | 11,118  | 4,620   | 4,620   | 23,246  | 48,354  |

NOTE:

The above table indicates that the municipality has budget for the capital payment equal to the capital expenditure. That is our plan to spend to spend the amount we allocated within the year as we have busy doing the final processes of Supply Chain Management processes.

Our municipality budget is credible.

## **5.9 Annual budgets and service delivery and budget implementation plans-internal departments**

## 5.10 Contracts having future budgetary implications

In terms of Mutale municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

| <b>LIM342 Mutale - Supporting Table SA35 Consolidated future financial implications of the capital budget</b> |     |   |                        |                        |                  |                  |                  |               |
|---|-----|---|------------------------|------------------------|------------------|------------------|------------------|---------------|
| Vote Description  | Ref | 2014/15 Medium Term Revenue & Expenditure Framework |                        |                        | Forecasts        |                  |                  |               |
| R thousand  |     | Budget Year 2014/15                                 | Budget Year +1 2015/16 | Budget Year +2 2016/17 | Forecast 2017/18 | Forecast 2018/19 | Forecast 2019/20 | Present value |
| Capital expenditure   | 1   |   |                        |                        |                  |                  |                  |               |
| Vote 1 - EXECUTIVE AND COUNCIL  |     | –   | –                      | –                      |                  |                  |                  |               |
| Vote 2 - MUNICIPAL MANAGER'S OFFICE   |     | –   | –                      | –                      |                  |                  |                  |               |
| Vote 3 - BUDGET AND TREASURY OFFICE   |     | –   | 70                     | 80                     |                  |                  |                  |               |
| Vote 4 - INFRASTRUCTURE DEVELOPMENT   |     | 31,945  | 35,855                 | 30,564                 |                  |                  |                  |               |
| Vote 5 - CORPORATE SERVICES   |     | 1,622   | 2,682                  | 2,110                  |                  |                  |                  |               |
| Total Capital Expenditure   |     | 33,567  | 38,607                 | 32,754                 | –                | –                | –                | –             |
|   |     |   |                        |                        |                  |                  |                  |               |
| Future operational costs by vote  | 2   |   |                        |                        |                  |                  |                  |               |
| Vote 1 - EXECUTIVE AND COUNCIL  |     |   |                        |                        |                  |                  |                  |               |

|  |   |        |        |        |  |  |  |  |  |  |  |  |
|--|---|--------|--------|--------|--|--|--|--|--|--|--|--|
| Vote 2 - MUNICIPAL<br>MANAGER'S OFFICE             |   |        |        |        |  |  |  |  |  |  |  |  |
| Vote 3 - BUDGET AND<br>TREASURY OFFICE             |   |        |        |        |  |  |  |  |  |  |  |  |
| Vote 4 -<br>INFRASTRUCTURE<br>DEVELOPMENT          |   |        |        |        |  |  |  |  |  |  |  |  |
| Vote 5 - CORPORATE<br>SERVICES                     |   |        |        |        |  |  |  |  |  |  |  |  |
| Total future operational costs                     |   |        |        |        |  |  |  |  |  |  |  |  |
|  |   |        |        |        |  |  |  |  |  |  |  |  |
| Future revenue by source                           | 3 |        |        |        |  |  |  |  |  |  |  |  |
| Property rates                                     |   |        |        |        |  |  |  |  |  |  |  |  |
| Property rates - penalties &<br>collection charges |   |        |        |        |  |  |  |  |  |  |  |  |
| Service charges - electricity<br>revenue           |   |        |        |        |  |  |  |  |  |  |  |  |
| Service charges - water<br>revenue                 |   |        |        |        |  |  |  |  |  |  |  |  |
| Service charges - sanitation<br>revenue            |   |        |        |        |  |  |  |  |  |  |  |  |
| Service charges - refuse<br>revenue                |   |        |        |        |  |  |  |  |  |  |  |  |
| Service charges - other                            |   |        |        |        |  |  |  |  |  |  |  |  |
| Rental of facilities and<br>equipment              |   |        |        |        |  |  |  |  |  |  |  |  |
| Total future revenue                               |   |        |        |        |  |  |  |  |  |  |  |  |
| Net Financial Implications                         |   |        |        |        |  |  |  |  |  |  |  |  |
|  |   | 33,567 | 38,607 | 32,754 |  |  |  |  |  |  |  |  |

## 5.11 Capital expenditure details

| LIM342 Mutale - Supporting Table SA36 Consolidated detailed capital budget |     |                             |                |                  |                                |                                 |                            |                  |                        |                         |   |   |                        |                        |                     |                |
|--|-----|-----------------------------|----------------|------------------|--------------------------------|---------------------------------|----------------------------|------------------|------------------------|-------------------------|---|---|------------------------|------------------------|---------------------|----------------|
| Municipal Vote/Capital project   | Ref | Program/Project description | Project number | ID P Goal code 2 | Individually Approved (Yes/No) | Asset Class                     | Asset Sub-Class            | GPS co-ordinates | Total Project Estimate | Prior year outcomes     |   | 2014/15 Medium Term Revenue & Expenditure Framework |                        |                        | Project information |                |
| R thousand   | 4   |                             |                |                  | 6                              | 3                               | 3                          | 5                |                        | Audited Outcome 2012/13 | Current Year 2013/14 Full Year Forecast | Budget Year 2014/15                                 | Budget Year +1 2015/16 | Budget Year +2 2016/17 | Ward location       | New or renewal |
| Parent municipality:   |     |                             |                |                  |                                |                                 |                            |                  |                        |                         |   |   |                        |                        |                     |                |
| List all capital projects grouped by Municipal Vote                        |     |                             |                |                  |                                |                                 |                            |                  |                        |                         |   |   |                        |                        |                     |                |
|  |     |                             |                |                  |                                |                                 |                            |                  |                        |                         |   |   |                        |                        |                     |                |
| Tshandama Sports Facilities  |     |                             |                |                  | Yes                            | Infrastructure - Other          | Sportsfields & stadia      |                  |                        |                         | -                                       | -   | 3,490                  | -                      | 4                   | Renewal        |
| Tshilamba Streets  |     | Street tarring              |                |                  | Yes                            | Infrastructure - Road transport | Roads, Pavements & Bridges |                  |                        |                         | 14,500                                  | 18,500  | -                      | -                      | 5                   | Renewal        |
| Refuse truck,skitbins,florescent   |     | Waste management            |                |                  | Yes                            | Infrastructure - Other          | Waste Management           |                  |                        |                         | -                                       | 2,460   | 50                     | 30                     |                     | New            |
| Mutale Ext.1 Ring Road   |     | Regravelling of road        |                |                  | Yes                            | Infrastructure -                | Roads, Pavements           |                  |                        |                         | -                                       | 755   | 11,60                  | -                      | 5                   | New            |

|   |  |                   |  |  |     |                                 |                                      |  |  |  |       |       |        |        |    |         |
|---|--|-------------------|--|--|-----|---------------------------------|--------------------------------------|--|--|--|-------|-------|--------|--------|----|---------|
|   |  |                   |  |  |     | Road transport                  | & Bridges                            |  |  |  |       |       | 6      |        |    |         |
| Tshixwadza Sports Facilities                            |  | Sports Facilities |  |  | Yes | Infrastructure - Other          | Sportsfields & stadia                |  |  |  | -     | 3,600 | -      | 6,000  |    | Renewal |
| Guyuni to Tshianzwane road                              |  |                   |  |  | Yes | Infrastructure - Road transport | Roads, Pavements & Bridges           |  |  |  | 1,350 | -     | 2,830  | -      | 13 | Renewal |
| Tshipise to Mattani road                                |  |                   |  |  | Yes | Infrastructure - Road transport | Roads, Pavements & Bridges           |  |  |  | 2,533 | -     | 4,210  | 14,934 | 10 | Renewal |
| Mukondeni to Thama road                                 |  |                   |  |  | Yes | Infrastructure - Road transport | Roads, Pavements & Bridges           |  |  |  | 1,200 | -     | 1,370  | -      | 1  | Renewal |
| Construction of low level crossing over Mulondodi river |  |                   |  |  | Yes | Infrastructure - Road transport | Roads, Pavements & Bridges           |  |  |  | 1,200 | -     | 498    | -      | 6  | Renewal |
| Tshilamba Park  |  |                   |  |  | Yes | Infrastructure - Road transport | Parks & gardens                      |  |  |  | 3,000 | -     | -      | 4,000  | 5  | New     |
| Car port,landscape                                      |  |                   |  |  | Yes | Infrastructure - Other          | Civic Land and Buildings             |  |  |  | 300   | 1,600 | 1,700  | 1,100  |    | New     |
| Motor vehicle   |  |                   |  |  | Yes | Other Assets                    | General vehicles                     |  |  |  | 210   | -     | 400    | 450    |    | New     |
| Furniture ,Computer equipment and softwares             |  |                   |  |  | Yes | Other Assets                    | Furniture and other office equipment |  |  |  | 130   | 520   | 370    | 380    |    | New     |
| Rubber Dozer,tipper truck,excavator                     |  |                   |  |  | Yes | Other Assets                    | Plant & equipment                    |  |  |  | 2,740 | 5,020 | 10,330 | 4,610  |    | New     |
| Equipment   |  |                   |  |  | Yes | Other Assets                    | Furniture and other                  |  |  |  | 810   | 112   | 752    | 250    |    | New     |





[illegible]

[illegible]



[illegible]

[illegible]

|   |   |      |      |      |          |          |      |         |         |         |
|---|---|------|------|------|----------|----------|------|---------|---------|---------|
|   |   | –    | –    | –    | –        | –        | –    | –       | –       | –       |
| List sub-class  |   |      |      |      |          |          |      |         |         |         |
|   |   |      |      |      |          |          |      |         |         |         |
|   |   |      |      |      |          |          |      |         |         |         |
| Biological assets                                       |   | –    | –    | –    | –        | –        | –    | –       | –       | –       |
| List sub-class  |   |      |      |      |          |          |      |         |         |         |
|   |   |      |      |      |          |          |      |         |         |         |
|   |   |      |      |      |          |          |      |         |         |         |
| Intangibles   |   | –    | –    | –    | –        | –        | –    | –       | –       | –       |
| Computers - software & programming                      |   |      |      |      |          |          |      |         |         |         |
| Other (list sub-class)                                  |   |      |      |      |          |          |      |         |         |         |
|   |   |      |      |      |          |          |      |         |         |         |
| Total Capital Expenditure on renewal of existing assets | 1 | –    | –    | –    | 21,703   | 36,483   | 200  | 21,000  | 13,899  | 16,934  |
|   |   |      |      |      |          |          |      |         |         |         |
| Specialised vehicles                                    |   | –    | –    | –    | –        | –        | –    | –       | –       | –       |
| Refuse  |   |      |      |      |          |          |      |         |         |         |
| Fire  |   |      |      |      |          |          |      |         |         |         |
| Conservancy   |   |      |      |      |          |          |      |         |         |         |
| Ambulances  |   |      |      |      |          |          |      |         |         |         |
|   |   |      |      |      |          |          |      |         |         |         |
| <b>Renewal of Existing Assets as % of total capex</b>   |   | 0.0% | 0.0% | 0.0% | 76.4%    | 77.6%    | 1.9% | 62.6%   | 36.0%   | 51.7%   |
| <b>Renewal of Existing Assets as % of deprecn"</b>      |   | 0.0% | 0.0% | 0.0% | 2226.2 % | 1216.1 % | 6.7% | 700.0 % | 439.5 % | 508.1 % |

**NOTE:**

The municipality has allocated 63 percent of the capital budget to the renewal of existing assets due to damage caused by floods in our municipality.

| <b>LIM342 Mutale - Supporting Table SA34c Consolidated repairs and maintenance by asset class</b> |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description   | Ref | 2010/11         | 2011/12         | 2012/13         | Current Year 2013/14 |                 |                    | 2014/15 Medium Term Revenue & Expenditure Framework |                        |                        |
| R thousand  | 1   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2014/15                                 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Repairs and maintenance expenditure by Asset Class/Sub-class                                      |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure  |     | –               | –               | –               | 3,720                | 2,600           | 2,600              | 2,640   | 2,783                  | 2,933                  |
| Infrastructure - Road transport   |     | –               | –               | –               | 3,500                | 2,500           | 2,500              | 2,640   | 2,783                  | 2,933                  |
| Roads, Pavements & Bridges  |     |                 |                 |                 | 3,500                | 2,500           | 2,500              | 2,640   | 2,783                  | 2,933                  |
| Storm water   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Electricity  |     | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
| Generation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Transmission & Reticulation   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Street Lighting   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Water  |     | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
| Dams & Reservoirs   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Water purification  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Reticulation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Sanitation   |     | –               | –               | –               | –                    | –               | –                  | –   | –                      | –                      |
| Reticulation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sewerage purification   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Other  |     | –               | –               | –               |                      |                 |                    |   |                        |                        |



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|  |    |   |   |   |       |       |       |       |       |       |
|--|----|---|---|---|-------|-------|-------|-------|-------|-------|
|  |    |   |   |   | 1,097 | 882   | 882   | 1,228 | 1,294 | 1,364 |
| Specialised vehicles                       | 10 | – | – | – | –     | –     | –     | –     | –     | –     |
| Plant & equipment                          |    |   |   |   | 750   | 450   | 450   | 550   | 580   | 611   |
| Computers - hardware/equipment             |    |   |   |   | 57    | 70    | 70    | 300   | 316   | 333   |
| Furniture and other office equipment       |    |   |   |   | 235   | 160   | 160   | 105   | 111   | 117   |
| Abattoirs                                  |    |   |   |   |       |       |       |       |       |       |
| Markets                                    |    |   |   |   |       |       |       |       |       |       |
| Civic Land and Buildings                   |    |   |   |   |       |       |       |       |       |       |
| Other Buildings                            |    |   |   |   |       |       |       |       |       |       |
| Other Land                                 |    |   |   |   | 250   | 250   | 250   | 300   | 316   | 333   |
| Surplus Assets - (Investment or Inventory) |    |   |   |   |       |       |       |       |       |       |
| Other                                      |    |   |   |   | 250   | 150   | 150   | 250   | 264   | 278   |
|  |    |   |   |   |       |       |       |       |       |       |
| Agricultural assets                        |    | – | – | – | –     | –     | –     | –     | –     | –     |
| List sub-class                             |    |   |   |   |       |       |       |       |       |       |
|  |    |   |   |   |       |       |       |       |       |       |
|  |    |   |   |   |       |       |       |       |       |       |
| Biological assets                          |    | – | – | – | –     | –     | –     | –     | –     | –     |
| List sub-class                             |    |   |   |   |       |       |       |       |       |       |
|  |    |   |   |   |       |       |       |       |       |       |
|  |    |   |   |   |       |       |       |       |       |       |
| Intangibles                                |    | – | – | – | –     | –     | –     | –     | –     | –     |
| Computers - software & programming         |    |   |   |   |       |       |       |       |       |       |
| Other (list sub-class)                     |    |   |   |   |       |       |       |       |       |       |
|  |    |   |   |   |       |       |       |       |       |       |
| Total Repairs and Maintenance Expenditure  | 1  | – | – | – | 6,360 | 4,562 | 4,562 | 5,373 | 5,663 | 5,969 |
|  |    |   |   |   |       |       |       |       |       |       |
| Specialised vehicles                       |    | – | – | – |       |       |       |       |       |       |



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|                                    |   |       |   |   |     |       |       |       |       |       |
|------------------------------------|---|-------|---|---|-----|-------|-------|-------|-------|-------|
| Agricultural assets                |   | -     | - | - | -   | -     | -     | -     | -     | -     |
| List sub-class                     |   |       |   |   |     |       |       |       |       |       |
|                                    |   |       |   |   |     |       |       |       |       |       |
|                                    |   |       |   |   |     |       |       |       |       |       |
| Biological assets                  |   | -     | - | - | -   | -     | -     | -     | -     | -     |
| List sub-class                     |   |       |   |   |     |       |       |       |       |       |
|                                    |   |       |   |   |     |       |       |       |       |       |
|                                    |   |       |   |   |     |       |       |       |       |       |
| Intangibles                        |   | -     | - | - | -   | -     | -     | -     | -     | -     |
| Computers - software & programming |   |       |   |   |     |       |       |       |       |       |
| Other (list sub-class)             |   |       |   |   |     |       |       |       |       |       |
|                                    |   |       |   |   |     |       |       |       |       |       |
| Total Depreciation                 | 1 | 1,165 | - | - | 975 | 3,000 | 3,000 | 3,000 | 3,162 | 3,333 |
|                                    |   |       |   |   |     |       |       |       |       |       |
| Specialised vehicles               |   | -     | - | - | -   | -     | -     | -     | -     | -     |
| Refuse                             |   |       |   |   |     |       |       |       |       |       |
| Fire                               |   |       |   |   |     |       |       |       |       |       |
| Conservancy                        |   |       |   |   |     |       |       |       |       |       |
| Ambulances                         |   |       |   |   |     |       |       |       |       |       |

**NOTE:**

Depreciation on assets is calculated at the end of the year. The reason for an increase in depreciation is a result of an update in our asset register. The impairment of assets was done during year 2012/2013.

## 5.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

**1. In year reporting**

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipal's website.

**2. Internship programme**

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the municipality has successfully employed and trained 7 interns through this programme and a majority of them were appointed either in the municipality or other Institutions.

**3. Budget and Treasury Office**

The Budget and Treasury Office has been established in accordance with the MFMA.

**4. Audit Committee**

An Audit Committee has been established and is fully functional.

**5. Service Delivery and Implementation Plan**

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2014/15 MTREF in May 2014 directly aligned and informed by the 2014/15 MTREF.

**6. Annual Report**

Annual report is compiled in terms of the MFMA and National Treasury requirements.

**7. MFMA Training**

All the employees in the Budget and Treasury Office are busy with the training. (Others have just started while some are finalizing the program.

**8. Policies**

An amendment of the Revenue Management, Budget and fixed Asset Management Policy have been finalized.

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|  |   |     |       |     |       |       |       |   |       |       |       |
|--|---|-----|-------|-----|-------|-------|-------|---|-------|-------|-------|
| revenue                                  |   |     |       |     |       |       |       |   |       |       |       |
| less Revenue Foregone                    |   |     |       |     |       |       |       |   |       |       |       |
| Net Service charges - sanitation revenue |   | -   | -     | -   | -     | -     | -     | - | -     | -     | -     |
|  |   |     |       |     |       |       |       |   |       |       |       |
| Service charges - refuse revenue         | 6 |     |       |     |       |       |       |   |       |       |       |
| Total refuse removal revenue             |   | 193 | 225   | 249 | 1,080 | 600   | 600   |   | 1,000 | 1,049 | 1,106 |
| Total landfill revenue                   |   |     |       |     |       |       |       |   |       |       |       |
| less Revenue Foregone                    |   |     |       |     | 54    | 7     | 7     |   | 57    | 60    | 7     |
| Net Service charges - refuse revenue     |   | 193 | 225   | 249 | 1,026 | 593   | 593   | - | 943   | 989   | 1,098 |
|  |   |     |       |     |       |       |       |   |       |       |       |
| Other Revenue by source                  |   |     |       |     |       |       |       |   |       |       |       |
| Licenses & permits                       |   | 346 | 1,750 |     |       |       |       |   |       |       |       |
| Buildings Approval                       |   |     |       |     | 69    | 82    | 82    |   | 86    | 91    | 96    |
| Penalties                                |   |     |       |     | 106   | 33    | 33    |   | 13    | 13    | 14    |
| Refuse bag sales                         |   |     |       |     |       |       |       |   | -     | -     | -     |
| Admin charges                            |   |     |       | 497 | 182   | 200   | 200   |   | 211   | 223   | 235   |
| AdvertisinG                              |   |     |       |     | 250   | 250   | 250   |   | 264   | 278   | 293   |
| Tourism fees                             |   |     |       |     | 130   | 160   | 160   |   | 169   | 178   | 188   |
| Profit on sale of asset                  |   |     |       |     | 26    | 138   | 138   |   | -     | -     | -     |
| Supplier's registration                  |   |     |       |     | 57    | 57    | 57    |   | 61    | 64    | 67    |
| EPWP                                     |   |     | 290   |     | -     | -     | -     |   | -     | -     | -     |
| Sales of sites                           |   |     |       | 701 | 1,728 | 3,384 | 3,384 |   | 2,056 | 1,000 | 500   |
| LGSETA                                   | 3 |     | 284   |     | 850   | 390   | 390   |   | 1,000 | 1,054 | 1,111 |

[illegible]



|  |   |       |       |        |        |        |        |   |        |        |        |
|--|---|-------|-------|--------|--------|--------|--------|---|--------|--------|--------|
| Collection costs                               |   |       |       |        |        |        |        |   |        |        |        |
| Contributions to 'other' provisions            |   |       |       |        |        |        |        |   |        |        |        |
| Consultant fees                                |   |       |       |        |        |        |        |   |        |        |        |
| Audit fees                                     |   |       |       |        | 1,355  | 1,526  | 1,526  |   | 1,800  | 1,897  | 2,000  |
| General expenses                               | 3 | 6,267 | 8,047 | 10,622 | 11,708 | 9,789  | 9,789  |   | 13,209 | 13,905 | 14,639 |
| Repairs and maintenance                        |   |       |       |        | 6,360  | 4,562  | 4,562  |   | 5,373  | 5,663  | 5,969  |
| Total 'Other' Expenditure                      | 1 | 6,267 | 8,047 | 10,622 | 19,423 | 15,877 | 15,877 | – | 20,382 | 21,466 | 22,607 |
|  |   |       |       |        |        |        |        |   |        |        |        |
| Repairs and Maintenance<br>by Expenditure Item | 8 |       |       |        |        |        |        |   |        |        |        |
| Employee related costs                         |   |       |       |        |        |        |        |   |        |        |        |
| Other materials                                |   |       |       |        |        |        |        |   |        |        |        |
| Contracted Services                            |   |       |       |        |        |        |        |   |        |        |        |
| Other Expenditure                              |   | 7,124 | 8,288 |        | 6,360  | 4,562  | 4,562  |   | 5,373  | 5,663  | 5,969  |
| Total Repairs and Maintenance Expenditure      | 9 | 7,124 | 8,288 | –      | 6,360  | 4,562  | 4,562  | – | 5,373  | 5,663  | 5,969  |
|  |   |       |       |        |        |        |        |   |        |        |        |

**LIM342 Mutale - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)**

| Description                                     | Ref | Vote 1 -<br>EXECUTIVE<br>AND<br>COUNCIL | Vote 2 -<br>MUNICIPAL<br>MANAGER'S<br>OFFICE | Vote 3 -<br>BUDGET<br>AND<br>TREASURY<br>OFFICE | Vote 4 -<br>INFRASTRUCTURE<br>DEVELOPMENT | Vote 5 -<br>CORPORATE<br>SERVICES | Vote 15 -<br>[NAME OF<br>VOTE 15] |
|---|-----|---|--|---|---|-----------------------------------|-----------------------------------|
| R thousand                                      | 1   |   |  |   |   |                                   |                                   |
| <u>Revenue By Source</u>                        |     |   |  |   |   |                                   |                                   |
| Property rates                                  |     |   |  | 2,150   |   |                                   |                                   |
| Property rates - penalties & collection charges |     |   |  |   |   |                                   |                                   |
| Service charges - electricity revenue           |     |   |  |   |   |                                   |                                   |

|   |   |         |         |        |         |          |   |        |
|---|---|---------|---------|--------|---------|----------|---|--------|
| Service charges - water revenue                               |   |         |         |        |         |          |   | -      |
| Service charges - sanitation revenue                          |   |         |         |        |         |          |   | -      |
| Service charges - refuse revenue                              |   |         |         |        | 943     |          |   | 943    |
| Service charges - other                                       |   |         |         |        |         |          |   | -      |
| Rental of facilities and equipment                            |   |         |         |        |         | 75       |   | 75     |
| Interest earned - external investments                        |   |         |         | 320    |         |          |   | 320    |
| Interest earned - outstanding debtors                         |   |         |         | 1,000  |         |          |   | 1,000  |
| Dividends received  |   |         |         |        |         |          |   | -      |
| Fines   |   |         |         |        |         | 201      |   | 201    |
| Licences and permits  |   |         |         |        |         | 3,282    |   | 3,282  |
| Agency services   |   |         |         |        |         |          |   | -      |
| Other revenue   |   |         | 169     | 61     | 2,152   | 1,477    |   | 3,804  |
| Transfers recognised - operational                            |   |         |         | 70,265 |         |          |   | 69,062 |
| Gains on disposal of PPE                                      |   |         |         |        |         |          |   | -      |
| Total Revenue (excluding capital transfers and contributions) |   | -       | 169     | 73,796 | 3,096   | 5,035    | - | 80,837 |
|   |   |         |         |        |         |          |   |        |
| <u>Expenditure By Type</u>                                    | - |         |         |        |         |          |   |        |
| Employee related costs  |   |         | 4,869   | 7,989  | 8,836   | 14,278   |   | 34,787 |
| Remuneration of councillors                                   |   | 7,461   |         |        |         |          |   | 7,461  |
| Debt impairment   |   |         |         | 2,112  |         |          |   | 2,112  |
| Depreciation & asset impairment                               |   |         |         | 3,000  |         |          |   | 3,000  |
| Finance charges   |   |         |         | 119    |         |          |   | 119    |
| Bulk purchases  |   |         |         |        |         |          |   | -      |
| Other materials   |   |         |         |        |         |          |   | -      |
| Contracted services   |   |         |         | 1,869  |         | 468      |   | 2,468  |
| Transfers and grants  |   |         |         |        |         |          |   | -      |
| Other expenditure   |   | 2,397   | 2,730   | 8,009  | 2,749   | 4,498    |   | 19,862 |
| Loss on disposal of PPE                                       |   |         |         |        |         |          |   | -      |
| Total Expenditure   |   | 9,857   | 7,598   | 23,099 | 11,585  | 19,244   | - | 69,808 |
| Transfers recognized (capital)                                |   |         |         |        |         |          |   |        |
| Surplus/(Deficit)   |   | (9,857) | (7,429) | 50,697 | (8,489) | (14,209) | - | 11,028 |
| Contributions recognised - capital                            |   |         |         |        |         |          |   | -      |
| Contributed assets  |   |         |         |        |         |          |   | -      |
| Surplus/(Deficit) after capital transfers & contributions     |   | (9,857) | (7,429) | 50,697 | 14,366  | (14,209) | - | 35,086 |

LIM342 Mutale - Supporting  
Table SA3 Supporting  
detail to 'Budgeted Financial  
Position'

[illegible]

[illegible]

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|                               |   |       |        |        |        |         |         |   |         |         |         |
|-------------------------------|---|-------|--------|--------|--------|---------|---------|---|---------|---------|---------|
| Revaluation                   |   |       |        |        |        |         |         |   |         |         |         |
| Total Reserves                | 2 | –     | –      | –      | –      | –       | –       | – | –       | –       | –       |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 7,205 | 27,123 | 16,176 | 33,438 | 168,377 | 168,377 | – | 142,508 | 192,051 | 243,598 |

| LIM342 Mutale - Supporting Table SA9 Social, economic and demographic statistics and assumptions |       |                       |             |             |             |         |         |         |                      |   |         |         |
|--|-------|-----------------------|-------------|-------------|-------------|---------|---------|---------|----------------------|---|---------|---------|
| Description of economic indicator  | Ref.  | Basis of calculation  | 1996 Census | 2001 Census | 2007 Survey | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | 2014/15 Medium Term Revenue & Expenditure Framework |         |         |
|  |       |                       |             |             |             | Outcome | Outcome | Outcome | Original Budget      | Outcome   | Outcome | Outcome |
| <u>Demographics</u>  |       | Census count/estimate |             |             |             |         |         |         |                      |   |         |         |
| Population   |       | Census count/estimate |             |             | 17          | 19      | 21      | 23      | 25                   | 27  | 30      | 33      |
| Females aged 5 - 14  |       | Census count/estimate |             |             | 17          | 19      | 21      | 23      | 25                   | 27  | 30      | 33      |
| Males aged 5 - 14  |       | Census count/estimate |             |             | 14          | 16      | 18      | 19      | 21                   | 23  | 26      | 28      |
| Females aged 15 - 34   |       | Census count/estimate |             |             | 12          | 13      | 14      | 16      | 17                   | 19  | 21      | 23      |
| Males aged 15 - 34   |       | Census count/estimate |             |             | 9           | 10      | 11      | 12      | 13                   | 14  | 16      | 18      |
| Unemployment   |       | Census count/estimate |             |             | 9           | 9       | 10      | 10      | 11                   | 11  | 12      | 13      |
| <u>Monthly household income (no. of households)</u>  | 1, 12 | -                     |             |             |             |         |         |         |                      |   |         |         |
| No income  |       |                       |             |             |             |         |         |         |                      |   |         |         |
| R1 - R1 600  |       | Census 2007           |             |             |             |         |         |         |                      |   |         |         |
| R1 601 - R3 200  |       | Census 2007           |             |             | 5,265       | 5,792   | 6,371   | 7,008   | 7,708                | 8,479   | 9,327   | 10,260  |
| R3 201 - R6 400  |       | Census 2007           |             |             | 1,757       | 1,933   | 2,126   | 2,339   | 2,572                | 2,830   | 3,113   | 3,424   |
| R6 401 - R12 800   |       | Census 2007           |             |             | 1,766       | 1,943   | 2,137   | 2,351   | 2,586                | 2,844   | 3,129   | 3,441   |



|                                      |   |                       |   |   |        |        |        |        |        |        |        |        |
|--------------------------------------|---|-----------------------|---|---|--------|--------|--------|--------|--------|--------|--------|--------|
| Formal                               |   | Census count/estimate |   |   | 20,859 | 22,945 | 25,239 | 27,763 | 30,540 | 33,594 | 36,953 | 40,648 |
| Informal                             |   | Census count/estimate |   |   | 201    | 221    | 243    | 268    | 294    | 324    | 356    | 392    |
| Total number of households           |   | Census count/estimate | - | - | 21,060 | 23,166 | 25,483 | 28,031 | 30,834 | 33,917 | 37,309 | 41,040 |
| Dwellings provided by municipality   | 4 |                       |   |   |        |        |        |        |        |        |        |        |
| Dwellings provided by province/s     |   |                       |   |   |        |        |        |        |        |        |        |        |
| Dwellings provided by private sector | 5 |                       |   |   |        |        |        |        |        |        |        |        |
| Total new housing dwellings          |   |                       | - | - | -      | -      | -      | -      | -      | -      | -      | -      |
|                                      |   |                       |   |   |        |        |        |        |        |        |        |        |
| <u>Economic</u>                      | 6 |                       |   |   |        |        |        |        |        |        |        |        |
| Inflation/inflation outlook (CPIX)   |   |                       |   |   |        |        |        |        |        | 13.0%  | 13.0%  | 13.0%  |
| Interest rate - borrowing            |   |                       |   |   |        |        |        |        |        | 12.0%  | 12.0%  | 12.0%  |
| Interest rate - investment           |   |                       | - | - | -      |        |        |        |        | 9.0%   | 9.0%   | 9.0%   |
| Remuneration increases               |   |                       |   |   |        |        |        |        |        | 7.0%   | 7.0%   | 7.0%   |
| Consumption growth (electricity)     |   |                       |   |   |        |        |        |        |        |        |        |        |
| Consumption growth (water)           |   |                       |   |   |        |        |        |        |        |        |        |        |
|                                      |   |                       |   |   |        |        |        |        |        |        |        |        |
| <u>Collection rates</u>              | 7 |                       |   |   |        |        |        |        |        |        |        |        |
| Property tax/service charges         |   |                       |   |   |        |        |        | 40.0%  | 50.0%  | 60.0%  | 60.0%  | 60.0%  |

|                                  |  |  |  |  |  |        |       |       |       |        |        |        |
|----------------------------------|--|--|--|--|--|--------|-------|-------|-------|--------|--------|--------|
| Rental of facilities & equipment |  |  |  |  |  | 100.0% | 80.0% | 80.0% | 70.0% | 90.0%  | 90.0%  | 90.0%  |
| Interest - external investments  |  |  |  |  |  |        |       |       |       | 100.0% | 100.0% | 100.0% |
| Interest - debtors               |  |  |  |  |  |        |       |       |       | 50.0%  | 50.0%  | 50.0%  |
| Revenue from agency services     |  |  |  |  |  |        |       |       |       | 100.0% | 100.0% | 100.0% |

## 5.14 Municipal manager's quality certification

I **Razwiedani Shumani Samuel** , acting municipal manager of Mutale municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Marutha Ramadiga

Chief Financial Officer of Mutale local Municipality

Signature \_\_\_\_\_

Date \_\_\_\_\_

Print Name: Razwiedani Shumani Samuel

Municipal Manager of Mutale local Municipality (LIM342)

Signature \_\_\_\_\_

Date \_\_\_\_\_

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